

**State of Illinois**  
**DEPARTMENT OF NATURAL RESOURCES**  
**COMPLIANCE EXAMINATION**  
**For the Two Years Ended June 30, 2020**

**Performed as Special Assistant Auditors  
for the Auditor General, State of Illinois**

STATE OF ILLINOIS  
DEPARTMENT OF NATURAL RESOURCES  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2020

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The State of Illinois, Department of Natural Resources' Schedule of Capital Asset Account as of and for the year ended June 30, 2020, have been issued under a separate cover. Additionally, in accordance with *Government Auditing Standards*, we have issued the Report Required Under *Government Auditing Standards* for the year ended June 30, 2020, on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters, under a separate cover. The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of the audit.

STATE OF ILLINOIS  
DEPARTMENT OF NATURAL RESOURCES  
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**AGENCY OFFICIALS**

Director (3/4/19 - Present)	Ms. Colleen Callahan
Director (7/1/18 - 3/3/19)	Mr. Wayne Rosenthal
Assistant Director (7/1/19 - Present)	Mr. John Rogner
Assistant Director (4/1/19 - 6/30/19)	Vacant
Assistant Director (7/1/18 - 3/31/19)	Mr. Rich Brauer
Deputy Director (5/1/19 - Present)	Ms. Rachel Torbert
Deputy Director (4/1/19 - 4/30/19)	Vacant
Deputy Director (10/1/18 - 3/31/19)	Mr. Eric Lohrenz
Deputy Director (7/1/18 - 9/30/18)	Vacant
Chief of Staff (6/17/19 - Present)	Ms. Kristin DiCenso
Chief of Staff (5/1/19 - 6/16/19)	Vacant
Chief of Staff (7/1/18 - 4/30/19)	Mr. Brad Carlson
Deputy Chief of Staff (1/1/19 - Present)	Vacant
Deputy Chief of Staff (7/1/18 - 12/31/18)	Mr. Steve Ettinger
General Counsel/Legal (10/1/18 - Present)	Ms. Renee Snow
General Counsel/Legal (7/1/18 - 9/30/18)	Mr. Eric Lohrenz
Chief Fiscal Officer (5/1/19 - Present)	Mr. Brad Colantino
Chief Fiscal Officer (7/1/18 - 4/30/19)	Mr. Doug Florence
Chief Information Officer	Mr. Steve Washko
Chief Internal Auditor	Mr. Jeff Beals
GAAP Coordinator	Ms. Rebecca Wilson

The Department of Natural Resources' primary administrative office is located at:

Joel D. Brunsvold Building  
One Natural Resources Way  
Springfield, Illinois 62702-1271



# Illinois Department of Natural Resources

One Natural Resources Way Springfield, Illinois 62702-1271  
www.dnr.illinois.gov

JB Pritzker, Governor  
Colleen Callahan, Director

## MANAGEMENT ASSERTION LETTER

June 17, 2021

Roth & Company, LLP  
Certified Public Accountants  
815 W. Van Buren Street, Suite 500  
Chicago, Illinois 60607

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the State of Illinois, Department of Natural Resources. We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the State of Illinois, Department of Natural Resources' compliance with the following specified requirements during the two-year period ended June 30, 2020. Based on this evaluation, we assert that during the years ended June 30, 2019, and June 30, 2020, the State of Illinois, Department of Natural Resources has materially complied with the specified requirements listed below.

- A. The State of Illinois, Department of Natural Resources has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. Other than what has been previously disclosed in the Schedule of Findings, the State of Illinois, Department of Natural Resources has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. Other than what has been previously disclosed in the Schedule of Findings, the State of Illinois, Department of Natural Resources has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. Other than what has been previously disclosed in the Schedule of Findings, the State revenues and receipts collected by the State of Illinois, Department of Natural Resources are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Other than what has been previously disclosed in the Schedule of Findings, money or negotiable securities or similar assets handled by the State of Illinois, Department of Natural Resources on behalf of the State or held in trust by the State of Illinois, Department of Natural Resources have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

**State of Illinois, Department of Natural Resources**

**SIGNED ORIGINAL ON FILE**

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Colleen Callahan, Director

**SIGNED ORIGINAL ON FILE**

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Brad Colantino, Chief Fiscal Officer

**SIGNED ORIGINAL ON FILE**

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Robert Mool, Deputy General Counsel/Legal

STATE OF ILLINOIS  
**DEPARTMENT OF NATURAL RESOURCES**  
**COMPLIANCE EXAMINATION**  
For the Two Years Ended June 30, 2020

**COMPLIANCE REPORT**

**SUMMARY**

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and the Illinois State Auditing Act.

**ACCOUNTANT’S REPORT**

The Independent Accountant’s Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes does not contain scope limitations or disclaimers, but does contain an adverse opinion on compliance and identifies material weaknesses in internal control over compliance.

**SUMMARY OF FINDINGS**

<u>Number of</u>	<u>Current</u>	<u>Prior</u>
Findings	Report	Report
Repeated Findings	30	23
Prior Recommendations Implemented or Not Repeated	22	15
	1	2

**SCHEDULE OF FINDINGS**

<u>Item No.</u>	<u>Page</u>	<u>Last/First</u> <u>Report</u>	<u>Description</u>	<u>Finding Type</u>
FINDING ( <i>GOVERNMENT AUDITING STANDARDS</i> )				
2020-001	14	New	Inadequate Control over Capital Assets	Material Weakness and Material Noncompliance
FINDINGS ( <i>STATE COMPLIANCE</i> )				
2020-002	17	2018/2014	Inadequate Controls over Accounts Receivable	Material Weakness and Material Noncompliance
2020-003	21	2018/2018	Inadequate Controls over Historical Artifacts	Material Weakness and Material Noncompliance
2020-004	23	2018/2016	Inadequate Controls Over Preparation of Monthly Reconciliations	Material Weakness and Material Noncompliance
2020-005	25	New	Inadequate Controls over the World Shooting and Recreational Complex’s Operations	Material Weakness and Material Noncompliance

STATE OF ILLINOIS  
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**SCHEDULE OF FINDINGS - Continued**

<u>Item No.</u>	<u>Page</u>	<u>Last/First Report</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE) - Continued				
2020-006	28	New	Weaknesses over General Information Technology Controls	Material Weakness and Material Noncompliance
2020-007	31	2018/2014	Property Control Weaknesses	Significant Deficiency and Noncompliance
2020-008	34	New	Inadequate Controls over Employee Payroll, Timekeeping, and Long-Term Leave of Absences	Significant Deficiency and Noncompliance
2020-009	38	New	Failure to Update the Department Policy and Procedures Manual	Significant Deficiency and Noncompliance
2020-010	39	2018/2016	Inadequate Control over Receipts	Significant Deficiency and Noncompliance
2020-011	41	2018/2018	Failure to Comply with the Historical Sites Listing Act	Significant Deficiency and Noncompliance
2020-012	43	2018/2018	Inadequate Controls over Petty Cash	Significant Deficiency and Noncompliance
2020-013	45	2018/2018	Inadequate Controls over Bank Reconciliations	Significant Deficiency and Noncompliance
2020-014	47	2018/2018	Failure to Comply with the Illinois State Agency Historic Resources Preservation Act	Significant Deficiency and Noncompliance
2020-015	49	2018/2012	Noncompliance with the Mandated Duties	Significant Deficiency and Noncompliance
2020-016	51	2018/2006	Failure to Enforce Concessionaire Lease Agreements	Significant Deficiency and Noncompliance
2020-017	55	New	Required Reports Not Properly Completed	Significant Deficiency and Noncompliance
2020-018	58	2018/2018	Inadequate Controls over Contractual Agreements and Obligations	Significant Deficiency and Noncompliance
2020-019	60	2018/2018	Inadequate Controls over Investment of Public Funds	Significant Deficiency and Noncompliance
2020-020	62	2018/2010	Inadequate Controls over Fuel Reconciliations	Significant Deficiency and Noncompliance
2020-021	64	2018/2014	Internal Audit Deficiencies	Significant Deficiency and Noncompliance

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**SCHEDULE OF FINDINGS - Continued**

<u>Item No.</u>	<u>Page</u>	<u>Last/First Report</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE) - Continued				
2020-022	67	2018/2016	Inaccurate and Incomplete Agency Workforce Reports	Significant Deficiency and Noncompliance
2020-023	69	2018/2014	Inadequate Controls over Overtime	Significant Deficiency and Noncompliance
2020-024	70	2018/2014	Inadequate Controls over Voucher Processing	Significant Deficiency and Noncompliance
2020-025	73	2018/2014	Failure to Issue Off-Highway Vehicle Usage Stamps	Significant Deficiency and Noncompliance
2020-026	74	New	Noncompliance with the Non-Game Wildlife Protection Act	Significant Deficiency and Noncompliance
2020-027	75	New	Inadequate Controls over Employee Performance Evaluations	Significant Deficiency and Noncompliance
2020-028	77	2018/2012	Lack of Contingency Planning or Testing to Ensure Recovery of Computer Systems	Significant Deficiency and Noncompliance
2020-029	79	2018/2016	Weaknesses with Payment Card Industry Data Security Standards	Significant Deficiency and Noncompliance
2020-030	81	2018/2012	Weaknesses in Cybersecurity Programs and Practices	Significant Deficiency and Noncompliance

In addition, the following finding which is reported as a current finding relating to *Government Auditing Standards* also meets the reporting requirements for State Compliance.

2020-001	14	New	Inadequate Control over Capital Assets	Material Weakness and Material Noncompliance
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PRIOR FINDING NOT REPEATED

A	84	2018/2018	Inadequate Control and Oversight over Valuations of Intangibles	
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STATE OF ILLINOIS  
DEPARTMENT OF NATURAL RESOURCES  
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**EXIT CONFERENCE**

The Department waived an exit conference to discuss the *Government Auditing Standards* finding and recommendation in a correspondence from Ms. Rebecca Wilson, GAAP Coordinator, on January 19, 2021. The response to the recommendation was provided by Ms. Rebecca Wilson, GAAP Coordinator, in correspondence dated January 20, 2021.

The remaining findings and recommendations appearing in this report were discussed with Department personnel at an exit conference on June 14, 2021. Attending were:

Department of Natural Resources

Ms. Colleen Callahan, Director  
Mr. Brad Colantino, Chief Fiscal Officer  
Mr. Jeff Beals, Chief Internal Auditor  
Ms. Rebecca Wilson, GAAP Coordinator

Office of the Auditor General

Mr. Reddy Bommareddi, Senior Audit Manager

Roth & Company, LLP

Ms. Marites Sy, Partner  
Ms. Emily Causon, Manager  
Ms. Ivory Pineda, Supervisor  
Ms. Erica Liza Armodoval, Senior

The responses to the remaining recommendations were provided by Ms. Rebecca Wilson, GAAP Coordinator, in correspondence dated June 17, 2021.



**INDEPENDENT ACCOUNTANT’S REPORT  
ON STATE COMPLIANCE, ON INTERNAL CONTROL OVER COMPLIANCE, AND  
ON SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

**Compliance**

As Special Assistant Auditors for the Auditor General, we have examined compliance by the *State of Illinois, Department of Natural Resources* (Department) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies* (*Audit Guide*) as adopted by the Auditor General, during the two years ended June 30, 2020. Management of the Department is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Department’s compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The Department has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Department has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Department has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Department are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Department on behalf of the State or held in trust by the Department have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the Department complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Department complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our modified opinion.

Our examination does not provide a legal determination on the Department's compliance with specified requirements.

Our examination disclosed material noncompliance with the specified requirements during the two years ended June 30, 2020. As described in items 2020-001 through 2020-030 in the accompanying Schedule of Findings, the Department did not comply with the specified requirements. Items 2020-001 through 2020-006 are each considered to represent material deviations with the specified requirements.

Specified Requirement B

As described in the accompanying Schedule of Findings as items 2020-001 through 2020-006, the Department had not obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.

Specified Requirement C

As described in the accompanying Schedule of Findings as items 2020-001 through 2020-006, the Department had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

Specified Requirement D

As described in the accompanying Schedule of Findings as item 2020-002, the Department had not ensured the State revenues and receipts collected by the Department were in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts was fair, accurate, and in accordance with law.

Specified Requirement E

As described in the accompanying Schedule of Findings as items 2020-002 and 2020-004, money or negotiable securities or similar asset handled by the Department on behalf of the State or held in trust by the Department have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Items 2020-007 through 2020-030 individually would have been regarded as significant noncompliance with the specified requirements; however, when aggregated, we determined these items constitute material deviations with the specified requirements.

In our opinion, because of the significance and pervasiveness of the material deviations from the specified requirements described in the preceding paragraph, the Department did not comply with the specified requirements during the two years ended June 30, 2020, in all material respects. We considered the effect of these circumstances on our audit of the capital asset account of the Department, as of and for the year ended June 30, 2020, and the related notes to the capital asset account. This report on the Department's compliance with the specified requirements does not affect our audit report dated January 22, 2021.

The Department's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The Department's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report on compliance is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

### **Internal Control Over Compliance**

Management of the Department is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the Department's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Department's compliance with the specified requirements and to test and report on the Department's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Department internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the specified requirements on a timely basis. *A material weakness in internal control* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 2020-001 through 2020-006 to be material weaknesses.

*A significant deficiency in internal control* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings as items 2020-007 through 2020-030 to be significant deficiencies.

As required by the *Audit Guide*, immaterial findings excluded from this report have been reported in a separate letter.

The Department's responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The Department's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

### **Supplementary Information for State Compliance Purposes**

Our examination was conducted for the purpose of forming an opinion on the Department's compliance with the specified requirements. The accompanying supplementary information for the years ended June 30, 2020, and June 30, 2019, in Schedules 1 through 3 and the Analysis of Operations Section are presented for purposes of additional analysis. Such information is the responsibility of Department management. We have applied certain limited procedures as prescribed by the *Audit Guide* to the accompanying supplementary information for the years ended June 30, 2020, and June 30, 2019, in Schedules 1 through 3. We have not applied procedures to the accompanying supplementary information for the year ended June 30, 2018 in Schedules 1 through 3 and the Analysis of Operations section. We do not express an opinion, a conclusion, nor provide any assurance on the accompanying supplementary information in Schedules 1 through 3 or the Analysis of Operations Section.

**SIGNED ORIGINAL ON FILE**

Chicago, Illinois  
June 17, 2021



**INDEPENDENT AUDITOR'S REPORT  
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

**Report on the Financial Statements**

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Schedule of Capital Assets of the State of Illinois, Department of Natural Resources (Department), as of June 30, 2020, and the related notes to the Schedule of Capital Assets, and have issued our report thereon dated January 22, 2021.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Department's Schedule of Capital Assets is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the Schedule of Capital Assets' amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings as item 2020-001.

**Internal Control Over Financial Reporting**

Management of the Department is responsible for establishing and maintaining effective internal control over financial reporting (internal control).

In planning and performing our audit of the Schedule of Capital Assets, we considered the Department's internal control to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Schedule of Capital Assets, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the second paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings as item 2020-001 that we consider to be a material weakness.

### **Department's Response to the Finding**

The Department's response to the finding identified in our audit is described in the accompanying Schedule of Findings. The Department's response was not subjected to the auditing procedures applied in the audit of the Schedule of Capital Assets and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**SIGNED ORIGINAL ON FILE**

Chicago, Illinois  
January 22, 2021

STATE OF ILLINOIS  
DEPARTMENT OF NATURAL RESOURCES  
**SCHEDULE OF FINDINGS - *GOVERNMENT AUDITING STANDARDS***  
For the Two Years Ended June 30, 2020

2020-001 **FINDING** (Inadequate Control over Capital Assets)

The Department of Natural Resources (Department) did not maintain adequate control over its capital assets.

The Department implemented the Enterprise Resource Planning (ERP) system on January 1, 2019 while simultaneously operating its legacy capital assets system. Effective June 1, 2020, the Department discontinued the legacy system keeping the ERP as its primary system to track its capital assets.

As of June 30, 2019, the Department indicated it had not fully implemented the ERP and the information from the legacy capital asset system was used to prepare FY19 capital asset schedules. The Department prepared its FY20 capital asset schedules using the ERP system.

During testing, auditors noted the following:

- The Department did not reconcile the ERP reports with the legacy system reports during the transition. Auditors noted variances between ERP reports and the legacy system reports of \$3.5 million and \$6 million of costs and accumulated depreciation, respectively. Additionally, the Department could not explain the variances noted between FY20 beginning balances of capital assets prepared using the ERP and FY19 ending balances of capital assets prepared using the legacy system. Based on further analysis, auditors determined the beginning balances in the ERP report were accurate and the variances identified were due to accumulated errors in prior years' legacy system reports. Specifically, the variances were costs and related accumulated depreciation of capitalizable assets that were categorized as noncapitalizable assets in error coupled with erroneous depreciation calculations in the legacy system over the years. These prior years' errors were deemed not material for restatement, therefore, were recorded against additions or deletions, as applicable, in the FY20 Schedule of Capital Assets.

COBIT® 2019 Framework, page 198, requires the Department to collect, convert, and verify data converted, and identify and resolve errors found during conversion, including comparing the original data and converted data for completeness and integrity.

Additionally, the Statewide Accounting Management System (SAMS) (Procedure 03.30.30) requires the Department to capitalize assets that individually equal or exceed its established capitalization threshold. Improvements extend the useful lives of existing assets are required to be depreciated over the remaining useful lives of the assets.

STATE OF ILLINOIS  
DEPARTMENT OF NATURAL RESOURCES  
**SCHEDULE OF FINDINGS - *GOVERNMENT AUDITING STANDARDS***  
For the Two Years Ended June 30, 2020

2020-001 **FINDING** (Inadequate Control over Capital Assets) - Continued

- The Department did not exercise adequate control and oversight over the preparation of the Capital Asset Summary (SCO-538) resulting in an inaccurate SCO-538 submitted to the Office of Comptroller. During testing, auditors noted variances of \$578,000 and \$30.7 million in cost and accumulated depreciation, respectively, between amounts reported on SCO-538 and those amounts from ERP at June 30, 2020. The Department indicated the variances identified on FY20 SCO-538 were not corrected because they were immaterial to the State's Comprehensive Annual Financial Report.

The Statewide Accounting Management System (SAMS) (Procedure 27.20.38) requires the Department to report capital assets and related accumulated depreciation on SCO-538. The SCO-538 forms ensure all capital assets of State agencies are reported in the State of Illinois' Comprehensive Annual Financial Report.

Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system, or systems, of internal and fiscal administrative controls, to provide assurance revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports to maintain accountability over the State's resources. Effective internal controls should include adequate oversight over the preparation of SCO-538 to ensure accurate capital assets information is reported to the Office of Comptroller for presentation in the State of Illinois' Comprehensive Annual Financial Report.

Department personnel indicated these issues were due to staff shortages and inadequate training and guidance during the transition from the legacy system to ERP.

Inadequate controls over capital assets may result in inaccurate information used by Office of Comptroller in preparing the Statewide Comprehensive Annual Financial Report. (Finding Code No. 2020-001)

**RECOMMENDATION**

We recommend the Department improve its control over its capital assets by maintaining adequate oversight over personnel responsible for capital asset management and reviewing SCO-538 forms for accuracy before transmitting to the Comptroller.

STATE OF ILLINOIS  
DEPARTMENT OF NATURAL RESOURCES  
**SCHEDULE OF FINDINGS - *GOVERNMENT AUDITING STANDARDS***  
For the Two Years Ended June 30, 2020

2020-001 **FINDING** (Inadequate Control over Capital Assets) - Continued

**DEPARTMENT RESPONSE**

The Department agrees to the recommendation to improve control over capital assets by maintaining adequate oversight and reviewing forms for accuracy. The Department did review reports but due to a new system and lack of training the errors were not identified and corrected timely.

STATE OF ILLINOIS  
DEPARTMENT OF NATURAL RESOURCES  
SCHEDULE OF FINDINGS - STATE COMPLIANCE  
For the Two Years Ended June 30, 2020

2020-002. **FINDING** (Inadequate Controls over Accounts Receivable)

The Department of Natural Resources (Department) did not exercise adequate internal controls over its reporting and maintenance of accounts receivable.

We performed detailed testing of accounts receivable including the *Quarterly Summary of Accounts Receivable – Accounts Receivable Activity Report* (Form C-97) and *Quarterly Summary of Accounts Receivable – Aging of Total Gross Receivables* (Form C-98) on the following funds: the State Boating Act Fund (039), the State Parks Fund (040), the Wildlife and Fish Fund (041), the Plugging and Restoration Fund (137), the Underground Resources Conservation Enforcement Fund (261), and the Illinois Historic Sites Fund (538).

During our testing, we noted the following weaknesses:

**Accounting System and Process Deficiencies**

- During Fiscal Year 2019, the Department implemented a new Enterprise Resource Planning (ERP) System to centralize various processes, including accounts receivable maintenance and reporting, reduce manual processing and simplify existing workflows. However, the Department failed to effectively utilize the ERP System to improve its accounts receivable maintenance and reporting process. The Department continued to rely on numerous subsystems by manually preparing and compiling reports and operating without a subsidiary ledger.

The Statewide Accounting Management System (SAMS) Chapter 26, and the Illinois State Collection Act of 1986 (30 ILCS 210) establish guidelines for the Department to follow in the development and implementation of a system for accounting and managing accounts. Further, SAMS (Procedure 26.10.10) assigns responsibility to the Department for development of its internal procedures for implementing an accounts receivable system.

**Errors Noted on Individual Accounts**

- Two of 37 (5%) receivables selected for detailed testing, totaling \$5,489, were paid in full before June 30, 2019, but continued to be reported as receivables as of June 30, 2019. In addition, one of 37 (3%) receivables, totaling \$2,525, was not due as of June 30, 2020 but was reported as a receivable as of June 30, 2020.

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2020-002. **FINDING** (Inadequate Controls over Accounts Receivable) - Continued

SAMS (Procedure 26.20.10) requires receivables to be recognized if the transaction is complete to the extent the payment is the only unconsummated act (i.e., the income is earned), and the claim is measurable in terms of the assignment of a monetary value established by State law and administrative regulations.

- Six of 37 (16%) receivables selected for detailed testing, totaling \$44,847, did not agree with the supporting documents. Specifically, the accounts receivable balance was understated by a total of \$22,923 when compared to the supporting documents.

SAMS (Procedure 26.20.10) requires the Department to maintain detailed information related to each receivable to support the recognition and tracking of receivables.

**Inadequate Documentation for Accounts Receivable Write-Offs**

- The Department was unable to provide support for accounts written-off, totaling \$16,000, for Fund 137 in the 1st quarter of Fiscal Year 2019.

The State Records Act (5 ILCS 160/8) requires the Department to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Department designed to furnish information to protect the legal and financial rights of the State.

**Accounts Receivable Not Reported**

- The Department was the lessor in several real property rental agreements but did not track the timing of the rental payment due dates against related receipts to determine if receivables should be recorded and reported to the Office of Comptroller on its Fund 538 Form C-97. Total real property rental receipts reported by the Department for Fund 538 were \$157,371 and \$90,163 in Fiscal Year 2020 and Fiscal Year 2019, respectively. Potential receivable amounts could not be determined.

SAMS (Procedure 26.20.10) requires receivables to be recognized if the transaction is complete to the extent the payment is the only unconsummated act, and the claim is measurable in terms of assignment of a monetary value established by State law and administrative regulations. Further, SAMS (Procedure 26.30.10) requires State agencies to report receivables information on the Form C-97.

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2020-002. **FINDING** (Inadequate Controls over Accounts Receivable) - Continued

**Inadequate Processing of Old Accounts Receivable**

- The Department did not make sufficient attempts to either collect its aged accounts receivable or write off uncollectible accounts receivable greater than one year old. As of June 30, 2020, the outstanding receivables aged more than a year totaled \$1,569,336, \$2,076,167, \$123,074, and \$208,398 for Funds 137, 261, 884, and 962, respectively.

Further, we noted these balances were aged more than one year, and, in some cases, were as old as Fiscal Year 1992.

The Illinois State Collection Act of 1986 (30 ILCS 210/3) requires the Department to aggressively pursue the collection of accounts or claims due to the State of Illinois through all reasonable means. Further, SAMS (Procedure 26.40.10) requires the Department to individually pursue all reasonable and appropriate procedures available to effectuate collection.

Additionally, in accordance with generally accepted accounting principles, accounts receivable balances that are uncollectible should be written off and removed from the Department's reporting process. The Uncollected State Claims Act (30 ILCS 205/2(a)) requires the Department, if it is unable to collect any claim or account receivable of \$1,000 or more after taking all reasonable efforts to collect the debt, request the Attorney General to certify the claim or account receivable is uncollectible. Further, the Uncollected State Claims Act (30 ILCS 205/2(c)) allows the Department to certify any claim or account receivable of less than \$1,000 as uncollectible, after the Department determines the total collection cost expended or anticipated will exceed the amount of the claim reasonably expected to be collected as provided in the Office of Comptroller's administrative rules (74 Ill. Admin. Code 320.70(b)).

Seven of 40 (18%) receivables, totaling \$186,268, aged more than 90 days past due and in excess of \$250, were not referred to the Office of Comptroller's Offset System.

SAMS (Procedure 26.40.20) requires the Department to place all debts over \$250 and more than 90 days past-due in the Office of Comptroller's Offset System.

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2020-002. **FINDING** (Inadequate Controls over Accounts Receivable) - Continued

This finding was first reported in Fiscal Year 2014. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures to improve its controls over accounts receivable.

Department personnel indicated the deficiencies noted were due to lack of staff, oversight, and lack of training to allow employees to maximize the features of its new ERP system and monitor its accounts receivable.

Failure to establish and maintain accurate reporting procedures and controls over accounts receivable increases the risk the Department's receivable balances could be inaccurate and improperly valued and represents noncompliance with State laws and regulations. In addition, failure to timely pursue collections of outstanding accounts reduces the likelihood of successfully collecting balances due to the State. Moreover, failure to track and record accounts receivable shows a lack of accountability on the part of the Department and hinders its ability to monitor past due accounts and may result in loss of revenue. (Finding Code No. 2020-002, 2018-002, 2016-002, 2014-009)

**RECOMMENDATION**

We recommend the Department implement the necessary internal controls to ensure accounts receivable are consistently and accurately reported to the Office of Comptroller. Also, the Department should ensure accounts receivable are timely pursued for collection and, if not collectible, submitted for uncollectible certification and subsequently written off. Moreover, the Department should establish controls to evaluate all accounts receivable over \$250 and more than 90 days past-due and place them under the Office of Comptroller's Offset System. Further, we recommend the Department utilize the ERP System to improve its accounts receivable maintenance and reporting process. Lastly, we recommend the Department review rental transactions to determine the amount of receivable to be reported quarterly and at the end of the year.

**DEPARTMENT RESPONSE**

The Department agrees with the recommendation to implement the necessary internal controls to ensure accounts receivable are consistently and accurately reported to the Office of Comptroller. The Department has reviewed the accounts receivable process and plans on implementing the necessary internal controls to consistently and accurately report accounts receivables. The Department has increased collection efforts and continues working to ensure that support for all receivables, uncollectibles and adjustments is obtained from each division. The Department will continue reviewing rental transactions within Fund 538 to determine the amount of receivable to be reported quarterly and at the end of the year.

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2020-003. **FINDING** (Inadequate Controls over Historical Artifacts)

The Department of Natural Resources (Department) did not have adequate controls over historical artifacts.

The Department is responsible for the protection and interpretation of Illinois' history and historic resources. The Department collects and preserves historically important materials and maintains an artifact collection.

The Department uses an electronic system to track historical artifacts. During our testing, we noted an independent review of items added to or removed from the artifact system was not performed. Also, physical inventories were performed by the custodians of the artifacts, not by independent persons.

Due to the deficiencies noted above, we were unable to conclude the Department's population records of historical artifacts were sufficiently precise and complete under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.35) to test the Department's compliance relative to historical artifacts.

*Even given the population limitations noted above which hindered our ability to conclude whether the records were complete and accurate*, we requested the Department provide the population of historical artifacts for two historical sites and noted the following:

- Two of 50 (4%) artifacts selected for physical observation could not be located.
- 20 of 50 (40%) artifacts selected for tracing to the records could not be traced, three of which have no descriptions to clearly identify the artifacts.

The State Property Control Act (Act) (30 ILCS 605/4) requires the Department to be accountable for the supervision, control, and inventory of all property under its jurisdiction and control. The Act (30 ILCS 605/6.02) also requires the Department to maintain a permanent record of all items of property under his or her jurisdiction and control.

Also, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

Further, good internal controls would require segregation of duties for record keeping and approval of additions and deletions to the artifact listing to ensure accountability over historical items.

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2020-003. **FINDING** (Inadequate Controls over Historical Artifacts) - Continued

Department personnel indicated, as they did in the prior year, the deficiencies noted were due to lack of staff.

Failure to maintain a complete and accurate inventory of artifacts and lack of segregation of duties could result in an artifact's disappearance going unnoticed. (Finding Code No. 2020-003, 2018-004)

**RECOMMENDATION**

We recommend the Department implement internal controls requiring additions and deletions to the artifacts catalog be independently reviewed and approved. We also recommend the Department ensure the inventory of all historical artifacts maintained is performed and/or reviewed by independent personnel. Further, we recommend the Department improve its internal controls to ensure artifact records are accurately maintained and properly accounted for.

**DEPARTMENT RESPONSE**

The Department agrees with the recommendation. The Department has established a collections committee for reviewing the acquisition/removal of artifacts which consists of 3 Site Managers and an Illinois State Museum Curator. The Department will continue to work towards obtaining an independent review of the inventory of historical artifacts. Lack of Manpower is continuing to hamper efforts to comply with independent reviews.

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2020-004. **FINDING** (Inadequate Controls over Preparation of Monthly Reconciliations)

The Department of Natural Resources (Department) did not have adequate controls over preparation of monthly reconciliation of its significant accounts and transactions with the Office of Comptroller's (Comptroller) records.

During our testing, we noted the Department did not perform monthly reconciliations. Specifically, the Department did not reconcile its internal records with the following Comptroller's reports:

- Revenue Status Report (SB04) and Cash Report (SB05) of Non-Shared Funds for 18 of 24 (75%) months from January 2019 through June 2020.
- Appropriations Status Report (SB01) for 18 of 24 (75%) months from January 2019 through June 2020 and lapse periods for Fiscal Years 2019 and 2020.
- Object Expense Expenditures By Quarter (SA02) and Appropriation Transfer Report (SB03) for 24 of 24 (100%) months during Fiscal Years 2019 and 2020.

As a result, the Department could not prepare the following Compliance Report Components using their internal records and reconcile them to Comptroller records; therefore, the Components and related analyses were omitted from the Department's *Compliance Examination Report*:

- *Schedule of Appropriations, Expenditures, and Lapsed Balances –Fiscal year 2020*
- *Schedule of Appropriations, Expenditures, and Lapsed Balances –Fiscal year 2019*
- *Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances*
- *Comparative Schedule of Net Expenditures by Major Activity*
- *Comparative Schedule of Cash Receipts and Deposits into the State Treasury*
- *Analysis of Significant Variations in Expenditures*
- *Analysis of Significant Variations in Receipts*
- *Analysis of Significant Lapse Period Spending*
- *Cost Statistics*

The Statewide Accounting Management System (SAMS) (Procedure 07.30.20) requires the Department to reconcile its records to the SAMS system on a monthly basis. This reconciliation must be completed within 60 days after the end of each month.

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2020-004. **FINDING** (Inadequate Controls over Preparation of Monthly Reconciliations)  
- Continued

In addition, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system, or systems, of internal and fiscal administrative controls, to provide assurance revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports to maintain accountability over the State's resources.

This finding was first reported in Fiscal Year 2016. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures to improve its controls over monthly reconciliation of its records against the Comptroller records.

Department personnel indicated the failure to perform monthly reconciliations was due to the Department's transition to the new Enterprise Resource Planning (ERP) System, lack of training, and inability to generate proper reports from the ERP necessary for the reconciliations.

Failure to prepare monthly reconciliations between the Department and the Comptroller's records reduces the usefulness and reliability of financial information and could result in errors not corrected timely. (Finding Code No. 2020-004, 2018-003, 2016-017)

**RECOMMENDATION**

We recommend the Department ensure monthly reconciliation of its activity are performed, documented, and reviewed on a timely basis. We also recommend the Department prepare the Compliance Report Components using their internal records and reconcile them to the Comptroller reports.

**DEPARTMENT RESPONSE**

The Department agrees with the recommendation and will strive to ensure all required reconciliations of its activities are performed, documented and reviewed on a timely basis.

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2020-005. **FINDING** (Inadequate Controls over the World Shooting and Recreational Complex's Operations)

The Department of Natural Resources (Department) did not exercise adequate control over operations of its World Shooting and Recreational Complex (WSRC) in Sparta, Illinois.

During our testing, we noted the following:

**Insufficient Controls over Facility Use Agreements and Other Documentation**

During the facility use agreements testing, we requested the Department and WSRC provide the population of events and related facility use agreements entered into during the examination period. In response to this request, the Department provided a listing of events held at the WSRC. We noted the population provided by the WSRC was derived from an electronic calendar, and we were unable to reconcile them to the Department's population of facility use agreements.

Due to these conditions, we were unable to conclude the Department's population records were sufficiently precise and detailed under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.35) to test the Department's compliance with its facility use agreements.

*Although the population limitations noted above hindered the ability of the accountants to conclude whether the selected sample was representative of the population as a whole*, we selected a sample of 60 events from the listing provided by the Department and noted the following during our testing:

- For seven (12%) events, the Department could not provide insurance documentation and evidence that insurance information was obtained prior to the event.
- For three (5%) events, insurance policies were expired as of the event date.
- For one (2%) event, the Department could not provide documents to confirm whether the extra amenities fee, if any, was collected.
- For three (5%) events, the facility use agreements were not signed by all required parties.
- For six (10%) events, the Department could not provide documents to confirm whether facility use fees were collected.

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2020-005. **FINDING** (Inadequate Controls over the World Shooting and Recreational Complex's Operations) - Continued

**Lack of an Approved Operations Manual**

The Department has not established administrative rules or finalized its operations manual to govern operations of the WSRC. During our review of the draft WSRC operations manual, we noted the manual provides guidance for some activities/operational areas at the WSRC, such as the camping, facility use agreement (event rentals), firearm inventory, shooting pricing and membership fees, procurement, concession and leases, and money handling; however, there is no discussion or guidance regarding recordkeeping for sponsorships and in-kind items received.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to maintain a system, or systems, of internal fiscal and administrative controls to provide assurance resources are utilized efficiently, effectively, and in compliance with applicable law. Good internal controls include ensuring the Department generates, maintains, and reports reliable information that is accurate and complete. Moreover, a good system of internal controls includes compiling policy statements, personnel rules, systems of authorization and approval, and procedures manuals to guide employee actions.

Also, the State Records Act (5 ILCS 160/8) requires the Department to make and preserve records containing adequate and proper documentation of the essential transactions of the Department to protect both the legal and financial rights of the State and of persons directly affected by the Department's activities.

Department personnel indicated the exceptions noted were due to limited staffing.

Failure to provide a complete and accurate population prevents auditors from completing audit procedures and providing useful and relevant feedback regarding the WSRC's facility use agreements. Also, failure to obtain evidence of insurance and maintain facility use agreements may result in losses from misuse of State assets that may not be recovered. Further, failure to have an approved WSRC manual that includes discussion on recordkeeping for sponsorships and in-kind contributions and other information unique and specific to the WSRC operations may result in transactions not being properly accounted for and reported. (Finding Code No. 2020-005)

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2020-005. **FINDING** (Inadequate Controls over the World Shooting and Recreational Complex's Operations) - Continued

**RECOMMENDATION**

We recommend the Department take action to establish internal controls over its operations at the WSRC. Specifically, the Department should:

- ensure the WSRC has an accurate and complete listing of events held;
- ensure the WSRC's facility use agreements received are properly filled out and submitted with all required documentation;
- implement adequate audit trails regarding the maintenance and retention of records at the WSRC; and,
- finalize the draft operations manual after incorporating procedures for all operations of the WSRC.

**DEPARTMENT RESPONSE**

The Department agrees with the recommendation and will work to establish internal controls over event listings and facility use agreements and will continue working on an operations manual.

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2020-006. **FINDING** (Weaknesses over General Information Technology Controls)

The Department of Natural Resources (Department) had weaknesses over its general information technology controls.

The Department had invested in computer applications and established several systems that are significant to its operations. We noted the Department did not ensure its General Information Technology Controls (GITC) surrounding these applications were designed and implemented to ensure integrity and reliability of information processed.

During testing of seven applications, we requested the Department provide a population of users of these applications. The Department provided a population of users of each application; however, we were unable to obtain sufficient evidence to verify the completeness of the population for four of seven (57%) applications. Due to this condition, we were unable to conclude the Department's population records were complete and accurate as required by the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.35).

*Although the population limitations noted above hindered our ability to conclude whether the selected sample was a representative of the population,* we reviewed the GITC over these applications and noted the following:

- User access rights were not periodically reviewed. The Department did not perform security reviews for six of seven (86%) applications to ensure employees' access to systems was appropriate.
- Users were granted access without proper authorization. The Department could not provide access authorizations for three of 15 (20%) new users tested.
- User access rights were not timely removed. We noted 30 of 30 (100%) separated employees continued to have access to two applications. The Department did not evaluate whether the separated employees accessed the applications subsequent to their separation from the Department.
- A change management policy did not exist for applications managed by the Department.

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2020-006. **FINDING** (Weaknesses over General Information Technology Controls)  
- Continued

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation and maintain accountability over the State's resources.

The *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST), Access Control Section, sanctions the appropriateness of access rights, timely termination, and periodic review of access rights to ensure appropriateness.

Department personnel indicated the population of users could not be verified for completeness due to system limitations. Department personnel also indicated user access rights were not reviewed primarily due to lack of established procedures by the Department. Department personnel further indicated access of separated employees were not removed because of oversight. In addition, Department personnel indicated emails supporting authorization for granting access to applications had been misplaced or were not maintained. Lastly, Department personnel indicated the lack of change management policy was due to staffing limitations.

Failure to provide complete and accurate populations prevents auditors from completing required examination procedures and determining if access controls over the Department's applications are appropriate. Failure to have adequate and effective GITCs and lack of a change control policy over applications increases the risk of unauthorized access or improper changes to computer systems and disclosure of sensitive information. (Finding Code No. 2020-006)

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2020-006. **FINDING** (Weaknesses over General Information Technology Controls)  
- Continued

**RECOMMENDATION**

We recommend the Department:

- Design a process to maintain a complete and accurate population of application users.
- Ensure authorizations for granting access are properly maintained.
- Ensure access rights are periodically reviewed and appropriate changes are made. In addition, the Department should ensure timely deactivation of users no longer needing access.
- Adopt a change management policy for applications managed by the Department.

**DEPARTMENT RESPONSE**

The Department agrees with the recommendation. The Department will ensure authorizations for granting access are properly maintained and access rights are periodically reviewed and appropriate changes are made as well as timely deactivation of users no longer needing access.

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2020-007. **FINDING** (Property Control Weaknesses)

The Department of Natural Resources (Department) did not maintain adequate controls over its property and related fixed asset records.

- During our testing of additions and deletions, we noted the following:
  - Two of 40 (5%) equipment acquisitions, totaling \$65,123, were added to the Department's property records 93 and 107 days after the goods acceptance date.
  - Two of 40 (5%) equipment deletions, totaling \$5,786, were removed from the Department's property records 134 days after the Department of Central Management Services' (DCMS) approval date of deletion.

The Illinois Administrative Code (44 Ill. Admin. Code 5010.400) requires the Department to adjust property records within 90 days of acquisition, change, or deletion of equipment items.

- During our physical inspection of 214 equipment items, we noted the following:
  - 13 (6%) equipment items, totaling \$83,816, could not be located.
  - Eight (4%) equipment items, totaling \$40,790, were found in a location different from the location indicated in the property records. These equipment items were loaned to other locations; however, loan slips were not completed in accordance with the Department's *Finance Handbook*.
  - 19 (9%) equipment items, totaling \$103,914, did not have tag numbers, tag numbers were unreadable, or tag numbers did not agree to property records.
- During our tracing of 214 equipment items to the Department records, we noted the following:
  - Nine (4%) equipment items could not be traced to property records.
  - 13 (6%) equipment items, totaling \$476,688, were recorded under a different location. These equipment items were kept in storage or loaned from other locations; however, loan slips were not completed in accordance with the Department's *Finance Handbook*.
  - Nine (4%) equipment items, totaling \$24,310, did not have property tag numbers, of which seven items could not be traced to the property records.

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2020-007. **FINDING** (Property Control Weaknesses) - Continued

The Statewide Accounting Management System (SAMS) (Procedures 29.10.10) requires agencies to maintain detailed property records and update property records as necessary to reflect the current balance of the State property. Such detailed records are to be organized by major asset category and include information such as the equipment tag number, location, item function and activity, among others.

The Illinois Administrative Code (44 Ill. Admin. Code 5010.210) requires the Department to mark each piece of State-owned equipment in its possession with a unique identification number.

The Department's *Finance Handbook* requires when equipment is loaned from one location to another, a Loan Slip form must be maintained at both locations. When an item is being used elsewhere, the supervisor of loaning location is responsible for obtaining proper documentation as to the current location of the item. The Loan Slip form is required to be prepared in duplicate to provide each location supervisor (loaning and receiving) with proper documentation of the loan.

- We noted 29 equipment items at various sites consisting of generators, mowers, gators, radios, refrigerators, freezers, chainsaws, trimmers, and ATVs, totaling \$134,822, were no longer used or serviceable. These assets were not transferred to DCMS or appropriately disposed of.

The Illinois Administrative Code (44 Ill. Admin. Code 5010.610) requires all transferable equipment which is no longer serviceable to be scrapped. Scrap having a market value is required to be sold.

This finding was first reported in Fiscal Year 2014. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures to address its property control weaknesses.

Department personnel indicated the above exceptions were due to lack of staff at various Department locations.

Inadequate control over the Department's property and fixed asset records increases the potential for fraud and possible loss or theft of State property and reduces the reliability of Statewide property information. Further, failure to exercise adequate control over equipment represents noncompliance with State laws and regulations. (Finding Code No. 2020-007, 2018-016, 2016-016, 2014-008)

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2020-007. **FINDING** (Property Control Weaknesses) - Continued

**RECOMMENDATION**

We recommend the Department strengthen its controls over property and equipment to ensure all equipment transactions are timely recorded, tag numbers are properly attached to equipment items, and equipment items are properly accounted for and maintained. We also recommend the Department periodically review all existing equipment items to identify items no longer used and eligible for scrapping or surplus.

**DEPARTMENT RESPONSE**

The Department agrees with the recommendation. The Department continues to strive to record property transactions in a timely manner and ensure that the property control system accurately reflects the property inventory.

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2020-008. **FINDING** (Inadequate Controls over Employee Payroll, Timekeeping, and Long-Term Leave of Absences)

The Department of Natural Resources (Department) did not exercise adequate control over its employee timekeeping, payroll, and long-term leave of absences.

- During our testing of employee payroll and attendance records, we noted the following:

- One of 13 (8%) separated employees' final pay was not accurately calculated. The accrued sick time of the employee was understated by 1,134 hours, resulting in an underpayment of the final pay by \$30,517. Subsequently, the Department reimbursed the employee the underpaid amount.

The Illinois Administrative Code (80 Ill. Admin. Code 330.3) states upon termination of employment from State service, an employee or the employee's estate, is entitled to lump sum payment for accrued vacation and overtime and sick days accrued between January 1, 1984 and December 31, 1997.

- Six of 50 (12%) employees' accrued leave or overtime balances were erroneously calculated and rolled forward to the following payroll period. The errors ranged from 0.25 hour to 44 hours.

The Department's Timekeeping Handbook requires the timekeeper to make all entries on the employee's timesheet, in a timely fashion, and to ensure all calculations are correct.

- For 22 of 50 (44%) employees who utilized leave days, the Department failed to provide the authorized leave request forms. As a result, we were unable to determine if the employee leave days were properly authorized and approved.

The Illinois Administrative Code (Code) (80 Ill. Admin. Code 303.340) requires the Department to maintain accurate, daily attendance records. In addition, the Code (80 Ill. Admin. Code 303.350) requires employees, whenever possible, to provide advance notice of absences from work.

The Department's *Timekeeping Handbook* requires employees to obtain prior authorization to utilize leave days. An official leave request will be required before posting to the timesheet. Additionally, the Department's *Employee Handbook* requires vacation time to be scheduled in advance with an employee's supervisor, except in emergency situations.

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2020-008. **FINDING** (Inadequate Controls over Employee Payroll, Timekeeping, and Long-Term Leave of Absences) - Continued

- Five of 50 (10%) employees' manual timesheets, used to document accrued leave balance information, could not be located. As a result, we were unable to determine if the employees' accrued leave balances rolled forward to the following payroll period were accurate.

The Department's *Timekeeping Handbook* requires the Timekeeper to forward original copies of timesheets at the end of each 6-month period (June and December) to the division liaison to be forwarded to the Timekeeping Program Coordinator.

- 39 of 400 (10%) timesheets tested were not signed by the employee, employee's supervisor, or the timekeeper.

The Department's *Timekeeping Handbook* requires designated timekeepers and supervisors to review and approve hours of employees. In addition, the timesheet must be initialed by the employee, employee's supervisor and the timekeeper in the space provided at the bottom of the timesheet.

- During our testing of nine employees' long-term leave of absences, we noted the following:

- For two (22%) employees' long-term leave of absences, the Department did not obtain appropriate documentation and approvals prior to the commencement of the leave of absences.
- For two (22%) employees' long-term leave of absences due to disability, the Department did not obtain the Physician's Statements (CMS-95).

The Department's *Timekeeping Handbook* requires any employee desiring a leave of absence to make his/her request in writing on a Leave of Absence Form at his/her earliest knowledge of the need for such absence. The request needs to contain the purpose of the leave and indicate the expected dates and duration of absences. The request must be accompanied by the appropriate documentation and approval/disapproval from supervisor and division administrator prior to the Division of Human Resources request and notification of the Payroll Office.

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2020-008. **FINDING** (Inadequate Controls over Employee Payroll, Timekeeping, and Long-Term Leave of Absences) - Continued

Further, the Department's *Timekeeping Handbook* requires Physician's Statements (CMS-95) as documentation for leave of absence due to illness or injury. In addition, the Department's *Timekeeping Handbook* requires employees to provide verification of disability every 30 days, unless the nature of the disability precludes the need for such frequency of verification, by submitting a CMS-95 to the Division of Human Resources.

Additionally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that resources are utilized efficiently, effectively, and in compliance with applicable law and that funds are safeguarded against waste, loss, unauthorized use and misappropriation.

Department personnel indicated the issues identified were due to oversight, human errors, lack of staff and failure to update the Department's policies and procedures in handling the employee leave of absences.

Failure to maintain adequate controls over employee attendance records, leave requests, and payroll calculation increases the risk of the Department maintaining incorrect attendance information and paying for time not earned by its employees. Failure to obtain and maintain the required leave of absence documentation is a noncompliance of the Department's policies and procedures and increases the risk that leave of absences are taken for nonqualifying purposes. (Finding Code No. 2020-008)

**RECOMMENDATION**

We recommend the Department ensure adequate review of final pay calculation and accrued leave balances to prevent and detect errors timely. We also recommend the Department ensure proper and timely completion and approval of leave request forms and maintain the leave request forms and timesheets in compliance with the Code and the Department's *Timekeeping Handbook*. Further, the Department should ensure all timesheets are properly signed by employees, supervisors, and timekeepers in compliance with the *Timekeeping Handbook*. Lastly, we recommend the Department comply with its policies and procedures by requiring employees to provide the appropriate Leave of Absence Forms and CMS-95 statements.

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2020-008. **FINDING** (Inadequate Controls over Employee Payroll, Timekeeping, and Long-Term Leave of Absences) - Continued

**DEPARTMENT RESPONSE**

The Department agrees with the recommendation. The Department has automated the leave request process and the calculations for accrual of leave. This will ensure proper and timely completion and approval of leave request forms and the forms will be maintained in the system. The Department is going to a new timekeeping system in Fiscal Year 2022 which should help eliminate issues with leave requests and overtime.

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2020-009. **FINDING** (Failure to Update the Department Policy and Procedures Manual)

The Department of Natural Resources (Department) had not updated its fiscal policies, operating procedures, and reporting requirements to reflect changes with laws and regulations.

The Department had not updated its *Finance Handbook* since 2008, and its *Policies and Procedures Manual*, *Employee Handbook*, and *Timekeeping Handbook* since 2006 to reflect changes in governmental policies, laws, regulations, current practices, and the accounting system. As a result, policies and procedures were not always consistent with current laws and regulations and caused confusion among its employees as to their application. In addition, several findings noted were partly due to outdated policies and procedures.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance resources are utilized efficiently, effectively, and in compliance with applicable law.

Department personnel indicated policies and procedures were not updated due to limited staff and competing priorities.

Updated policies and procedures are important to ensure current practices are in compliance with applicable laws and regulations, ensure consistency in day-to-day operational activities, and to eliminate confusion by providing employees with a clear understanding of their roles and responsibilities. (Finding Code No. 2020-009)

**RECOMMENDATION**

We recommend the Department update its policies and procedures to reflect changes in governmental policies, laws, regulations, current practices, and the accounting system.

**DEPARTMENT RESPONSE**

The Department agrees with the recommendation to update its policies and procedures to reflect changes in government policies, laws, regulations, current practices and the accounting system. The Department will continue to work to update the Policy and Procedures Manual.

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2020-010. **FINDING** (Inadequate Control over Receipts)

The Department of Natural Resources (Department) did not exercise adequate controls over its cash receipts.

- During our testing of refunds, we noted the following:
  - Four of 24 (17%) refund receipts tested, totaling \$13,400, were not date stamped when received.

The State Records Act (5 ILCS 160/8) requires the Department to make and preserve records containing adequate and proper documentation of the essential transactions of the Department to protect the legal and financial rights of the State and of persons directly affected by the Department's activities.

- One of 24 (4%) refund receipts tested, totaling \$200,000, was deposited one day late.

The State Officers and Employees Money Disposition Act (30 ILCS 230/2(a)) requires the Department to deposit any single receipt exceeding \$10,000 collected into the State Treasury within one business day and keep a detailed itemized account of all moneys received, including the date of receipt, the payer, the purpose, and the amount.

- During our testing of deer and turkey receipts, hunting and fishing receipts, camping fees, and boat and snowmobile receipts, we noted the Department did not conduct reconciliations of each division's receipts against the receipts deposited to the Department's Deposit Section to ensure receipts were accurately deposited during Fiscal Years 2019 and 2020.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance revenues are properly recorded and accounted for to permit the preparation of reliable accounts and financial reports and to maintain accountability over the State's resources.

- During our testing, we noted the Department did not perform an analysis of receipt account codes that have not been used over the years. We noted the Department had 76 of 247 (31%) receipt account codes that have been inactive or not been used since Fiscal Year 2018.

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2020-010. **FINDING** (Inadequate Control over Receipts) - Continued

The Statewide Accounting and Management System (SAMS) (Procedure 25.20.30) requires the Department to initiate a request to delete inactive receipt account codes from the Receipts Chart of Accounts through the submission of the Chart of Accounts Maintenance and Inquiry (Form C-45) to the Office of Comptroller.

This finding was first reported in Fiscal Year 2016. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures to improve its controls over receipts.

Department personnel indicated, as they did in the prior year, the deficiencies noted were due to limited staff.

Failure to deposit monies in a timely manner may result in lost interest revenue to the State. Additionally, failure to properly document the date when the refund checks were received is noncompliance with the State Officers and Employees Money Disposition Act and the State Records Act. Also, failure to perform monthly reconciliation of receipts could result in discrepancies and errors in the reports not being corrected in a timely manner. Finally, failure to keep an updated Receipts Chart of Accounts is noncompliance with SAMS. (Finding Code No. 2020-010, 2018-011, 2016-009)

**RECOMMENDATION**

We recommend the Department ensure deposit dates of receipts are documented for all receipts and all deposits are made in a timely manner with the State Treasurer. We also recommend the Department perform monthly reconciliation of receipts between the Deposit Section and each division. Also, we recommend the Department perform a periodic review of its Receipts Chart of Accounts to ensure only relevant receipt account codes are retained to ensure proper classification, recording, and reporting of receipts.

**DEPARTMENT RESPONSE**

The Department agrees with the recommendation. The Department will continue to work to ensure that all deposits are made in a timely manner with the State Treasurer. The Department will also work to ensure that all receipt and deposit dates are documented and remind employees of the need to maintain accurate and complete records.

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2020-011. **FINDING** (Failure to Comply with the Historical Sites Listing Act)

The Department of Natural Resources (Department) did not comply with the Historical Sites Listing Act (Act).

During our testing, we noted the Department did not work with the Illinois Department of Transportation, Division of Highways, to place and maintain all markers at State historic sites registered under the Act. The Department indicated this program was carried on by the Illinois Historical Society (Society) when the Society was part of the former Historic Preservation Agency (HPA). The Society broke from the HPA in 1998 and has since run the program. The Department maintained a listing of the historical sites in cooperation with the Society. However, there was no agreement in place to outline responsibilities of the various parties nor did the Department monitor the Society to ensure the requirements of the Act were being met.

The Act (20 ILCS 3415/1) allows any person or State or local government agency owning a site of general historical interest or having a written consent of the owner of such a site to apply to the Department to have the site listed and marked as a State historic site. The Act (20 ILCS 3415/2) requires the Department to list the site of sufficient historical interest in a register kept for that purpose and to display at the site a suitable marker indicating the site is a registered State historic site. Further, the Act (20 ILCS 3415/3) requires the Department, in cooperation with the Division of Highways of the Department of Transportation and any other interested public or private agency, to place and maintain all markers at State historic sites registered under this Act.

Department personnel indicated, as they did in the prior year, the duties required in this statute were performed by the Society. An agreement with the Society was not pursued because this was not initially determined necessary. Moreover, Department personnel indicated there was also lack of sufficient resources devoted or allocated to this area, limiting their ability to conduct all the activities required by the Act.

Lack of a formal agreement with the Society results in the Department effectively outsourcing its mandated responsibilities to an outside party without ensuring compliance with the Act. (Finding Code No. 2020-011, 2018-017)

**RECOMMENDATION**

We recommend the Department establish a formal agreement with the Society outlining the responsibilities of each party, perform the duties required for compliance with the Act itself, or seek legislative remedy. If the Department establishes a formal agreement with the Society, we recommend the Department monitor and oversee the Society's activities to ensure compliance with the Act.

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2020-011. **FINDING** (Failure to Comply with the Historical Sites Listing Act)

**DEPARTMENT RESPONSE**

The Department agrees with the recommendation. The Department will seek to establish a formal agreement with the Society or seek legislative remedy.

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2020-012. **FINDING** (Inadequate Controls over Petty Cash)

The Department of Natural Resources (Department) did not have adequate controls over its petty cash funds.

- During our testing of 240 monthly reconciliations of petty cash funds, we noted the following:
  - Six (3%) reconciliations were not performed on a timely basis. The reconciliations were prepared 1 to 25 days late.
  - 148 (62%) reconciliations were not reviewed and approved by the supervisor.
  - Two (1%) reconciliations were not performed.
  - One (1%) reconciliation did not have a date indicating when it was performed. Therefore, we were unable to determine the timeliness of the reconciliation.
- During our site visits, we noted inadequate segregation of duties over petty cash funds at nine of 12 (75%) Department sites tested. We noted one individual at each of the noted sites performed most, if not all, of the transaction cycle, including:
  - Authorization by reviewing and approving transactions, including having signature authority for the checks.
  - Custody by maintaining the fund's records and making deposits at the bank.
  - Recordkeeping by preparing entries and maintaining the site's internal accounting records and the account checkbook.
  - Reconciliation by preparing reconciliations of the fund's records to the bank's records to verify each transaction's validity, proper authorization, and entry into the Department's accounting records.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

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2020-012. **FINDING** (Inadequate Controls over Petty Cash) - Continued

- During our testing of the Petty Cash Internal Control Certification (C-86) reports, we noted the Department did not file Calendar Year 2019 C-86 reports with the Office of Comptroller.

SAMS (Procedure 09.10.40) requires the Department to complete the C-86 reports biennially (once every two years) for each petty cash fund which has been established for one year and exceeds \$100.

Department personnel indicated, as they did in the prior year, the above exceptions were mostly due to oversight and staffing constraints.

Failure to timely prepare, review, and approve petty cash reconciliations and inadequate segregation of duties may result in errors and misappropriation of assets not timely prevented or detected. Also, failure to file C-86 reports with the Office of Comptroller inhibits the State from accumulating meaningful oversight information. (Finding Code No. 2020-012, 2018-019)

**RECOMMENDATION**

We recommend the Department maintain adequate oversight over petty cash reconciliations and file required C-86 reports with the Office of Comptroller. We also recommend the Department review and update its policies and procedures to ensure adequate segregation of duties over petty cash transactions.

**DEPARTMENT RESPONSE**

The Department agrees with the recommendation. The Department will provide and document adequate oversight over petty cash replenishments and ensure timely filing of C-86 reports.

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2020-013. **FINDING** (Inadequate Controls over Bank Reconciliations)

The Department of Natural Resources (Department) did not properly prepare and review bank reconciliations at twelve Department sites selected for testing.

- During our testing of 216 bank reconciliations at the Department sites, we noted the following:
  - 124 (57%) bank reconciliations did not include a signature indicating supervisory review and approval by a second individual;
  - Seven (3%) bank reconciliations were not timely completed, ranging from 1 to 32 days late; and,
  - Two (1%) bank reconciliations were not performed.
- During our Department site visits, we noted inadequate segregation of duties at six of 12 (50%) sites. We noted one individual at each of those sites performed most, if not all, of the revenue account transaction cycle, including:
  - Authorization by reviewing and approving transactions, including having signature authority for the checks;
  - Custody by maintaining the account's records and making deposits at the bank;
  - Recordkeeping by preparing entries and maintaining the Department's internal accounting records and the account's checkbook; and,
  - Reconciliation by preparing reconciliations of the account's records to the bank's records to verify each transaction's validity, proper authorization, and entry into the Department's accounting records.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance resources are safeguarded against waste, loss, unauthorized use, and misappropriation and to maintain accountability over the State's resources. Good internal controls include maintaining segregation of duties over all transactions and documenting the preparation and review of monthly account reconciliations.

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2020-013. **FINDING** (Inadequate Controls over Bank Reconciliations) - Continued

Department personnel indicated, as they did in the prior year, the deficiencies noted were due to lack of staff.

Failure to maintain proper segregation of duties and ensure reconciliations are timely prepared and reviewed may result in errors or other irregularities going undetected for a significant period of time. (Finding Code No. 2020-013, 2018-023)

**RECOMMENDATION:**

We recommend the Department review and update existing policies and procedures to ensure reconciliations are performed timely and properly while maintaining adequate segregation of duties.

**DEPARTMENT RESPONSE**

The Department agrees with the recommendation. The Department will continue to work on improving bank reconciliation procedures and will conduct educational sessions as needed.

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2020-014. **FINDING** (Failure to Comply with the Illinois State Agency Historic Resources Preservation Act)

The Department of Natural Resources (Department) did not comply with the provisions of the Illinois State Agency Historic Resources Preservation Act (Act).

During our testing, we noted the following:

- The Department did not prepare an annual report for Fiscal Years 2019 and 2020 that includes an outline of State agency actions on which comment was requested or issued under this Act.

The Act (20 ILCS 3420/5(a)) requires the Director to include in the Department's annual report an outline of State agency actions on which comment was requested or issued under this Act.

- The Department did not maintain a current list of all historic resources owned, operated, or leased by the State and appropriate maps indicating the location of all such resources. While the Department maintains a map of historic sites, the map excludes other resources owned, operated, or leased by the State.

The Act (20 ILCS 3420/5(b)) requires the Director to maintain a current list of all historic resources owned, operated, or leased by the State and appropriate maps indicating the location of all such resources. These maps are to be in a form available to the public and State agencies, except that the locations of archaeological resources are excluded.

- The Department did not maintain a Mediation Committee in compliance with the Act.

The Act (20 ILCS 3420/4(f)) requires the Mediation Committee consist of the Director and five persons appointed by the Director for terms of three years each, each of whom can be no lower rank than a division chief and represents a different State agency.

- The Department failed to carry out its duties related to the preservation, conservation, inventory, and analysis of fine and decorative arts, furnishings, and artifacts of the Governor's offices in the Capitol in Springfield and the James R. Thompson Center in Chicago, and the Hayes House in DuQuoin as required by the Act. The Department provided a Memorandum of Understanding dated February 24, 2016, between the legacy Historic Preservation Agency and the Office of the Governor whereby both parties agreed to cooperate to perform these required duties relative to the Executive Mansion in Springfield; however, the Department could not provide any evidence the duties applicable to the other three locations were performed.

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2020-014. **FINDING** (Failure to Comply with the Illinois State Agency Historic Resources Preservation Act) - Continued

The Act (20 ILCS 3420/5(f)) requires the Department to manage and control the preservation, conservation, inventory, and analysis of fine and decorative arts, furnishings, and artifacts of the Illinois Executive Mansion in Springfield, the Governor's Office in the Capitol in Springfield, the Governor's Office in Chicago, and the Hayes House in DuQuoin.

Department personnel indicated the failure to comply with the requirements of the Act was due to staffing constraints.

Failure to comply with the Act weakens overall State agency collaboration in preserving, restoring, and maintaining the historic resources of the State of Illinois. Failure to include required information in its annual report and establish a Mediation Committee is noncompliance with the Act. Failure to maintain a list of owned, operated, or leased historic resources represents noncompliance with the Act. The Department's failure to carry out its duties related to the preservation and conservation of historic resources prevents the fostering and enhancement of the availability of these resources to future generations. (Finding Code No. 2020-014, 2018-022)

**RECOMMENDATION**

We recommend the Department comply with all provisions of the Act.

**DEPARTMENT RESPONSE**

The Department agrees with the recommendation and will strive to comply with all provisions of the Illinois State Agency Historic Resources Preservation Act or seek legislative remedy.

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2020-015. **FINDING** (Noncompliance with the Mandated Duties)

The Department of Natural Resources (Department) did not comply with certain duties mandated by State law.

During our testing, we noted the following:

- The Department did not maintain the required number of bilingual on-board frontline staff during Fiscal Years 2019 and 2020. The Department lacks one required bilingual frontline staff over its number of bilingual frontline staff on June 30, 2007.

The State Services Assurance Act for FY2008 (5 ILCS 382/3-15) requires the Department to add and maintain, at least, five additional bilingual frontline staff over its number of bilingual frontline staff on June 30, 2007.

- The Department did not comply with the provisions of the Historic Preservation Act regarding the Amistad Commission (Commission). The Commission did not meet in any of the four quarters of Fiscal Year 2019 and Fiscal Year 2020 and did not prepare a biannual report to file with the Governor and the General Assembly regarding its findings and recommendations. Further, we noted there were four vacancies in the Commission during the examination period. The vacancies were two ex-officio members and two members to be appointed by the Governor.

The Historic Preservation Act (Act) (20 ILCS 3405/22(c)) requires the Commission consist of 15 members, including 3 ex-officio members: the State Superintendent of Education or his or her designee, the Director of Commerce and Economic Opportunity or his or her designee, and the Director of Historic Sites and Preservation or his or her designee; and 12 public members (6 appointed by the Governor). The Act (20 ILCS 3405/22(d)) requires the Commission to meet at least quarterly or more frequently at the call of the chairperson or if requested by nine or more members. The Act (20 ILCS 3405/22(l)) requires the Commission to report its activities and findings, as required under subsection (i), to the Governor and General Assembly on or before June 30, 2006, and biannually thereafter.

- The Department's Director or their designee was not listed as ex-officio member of the Illinois Route 66 Centennial Commission (Commission).

The Illinois Route 66 Centennial Commission Act (20 ILCS 5125/10) requires the Commission to be composed of 20 members including the Director of the Department of Natural Resources, or his or her designee.

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2020-015. **FINDING** (Noncompliance with the Mandated Duties) - Continued

Department personnel indicated they continue to recruit and attempt to fill the vacant bilingual frontline staff and an additional bilingual position has been posted in the Office of Grant Management and Assistance but has not yet been filled due to COVID-19 and headcount issues. In addition, Department personnel indicated, as they did in the prior year, the noncompliance with the Commissions were due to lack of funding.

This finding was first reported in Fiscal Year 2012. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures to improve its controls over compliance with certain mandated duties.

Failure to maintain the required number of bilingual frontline staff may hinder the effective delivery of essential services to Illinois residents who do not speak the English language fluently. Failure to comply with the Historic Preservation Act and the Illinois Route 66 Centennial Commission Act represents noncompliance with State statutes. (Finding Code No. 2020-015, 2018-015, 2016-015, 2014-011, 12-10)

**RECOMMENDATION**

We recommend the Department continue to seek bilingual frontline staff to comply with the State Services Assurance Act. We also recommend the Department ensure the Commissions are fully seated and administered to comply with the provisions of the Historic Preservation Act and Illinois Route 66 Centennial Commission Act or work with the General Assembly to seek legislative remedy.

**DEPARTMENT RESPONSE**

The Department agrees with the recommendation to continue to seek bilingual frontline staff to comply with the State Services Assurance Act. The Department continues to seek bilingual frontline staff in recruitment efforts.

The Department agrees with the recommendation to ensure the Amistad Commission is fully seated and administered to comply with the provisions of the Historic Preservation Act. The Department will continue to work to ensure the Commission is fully seated and administered or work with the General Assembly to seek legislative remedy.

The Department agrees with the recommendation to ensure the Illinois Route 66 Centennial Commission is fully seated. The Department has fulfilled the requirements and has two members on the Commission as of January 2021.

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2020-016. **FINDING** (Failure to Enforce Concessionaire Lease Agreements)

The Department of Natural Resources (Department) failed to monitor and enforce concessionaire lease agreements regarding rental and reserve payments.

During the examination period, the Department had concession and lease agreements with approximately 66 concessionaires located at State parks throughout the State. The Department's concession coordinators are responsible for negotiating and enforcing lease terms, overseeing the site, approving rates charged, and collecting rental payments. These concession and lease agreements are being monitored by the Department using an agreement tracking database. The Department received rental fees from concessionaires totaling \$547,290 and \$445,091 during Fiscal Years 2019 and 2020, respectively.

- During our testing of 50 rental payments from seven concession and lease agreements, we noted the following:
  - 17 (34%) rental payments were not timely remitted to the Department, ranging from 1 to 150 days late.
  - One (2%) rental payment was missing supporting documents. As a result, we were unable to verify if the rental payment was timely remitted to the Department.

The Department's standard contract language for concessionaires, whose rents are based on a percentage of sales, requires a report of sales be forwarded to the Division of Concession and Lease Management no later than the 25<sup>th</sup> day of the following month and that three delinquent payments in a twelve-month period or a delinquent account of ninety days shall be cause for immediate termination of lease. Additionally, for concessionaires whose rents are based on an annual fee, the contract requires a specific due date in which the rental payment must be received by the Department.

- During our testing of 72 reserve account monthly remittances for the four largest concessionaires/lessees measured in terms of rental payments and/or deposits, we noted the following:
  - 20 (28%) concessionaires' reserve deposit slips were not timely submitted to the Department, ranging from 1 to 55 days late.
  - Five (7%) concessionaires' reserve deposit slips were not date stamped upon receipt by the Department. As a result, we were unable to determine if the reserve deposits were remitted timely.

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2020-016. **FINDING** (Failure to Enforce Concessionaire Lease Agreements) - Continued

The Department's standard contract language for concessionaires who are required to make reserve deposits based on a percentage of gross revenue requires the lessee to provide the Department a copy of the deposit slip for all monies placed in said Reserve Account each month, no later than the 25th day of the month following the previous month's operations.

- During our testing of compliance with the reporting requirements of the concession agreements for the four largest concessionaires/lessees measured in terms of rental payments and/or deposits, we noted the following:
  - Five of 42 (12%) required reports consisting of balance sheet, income (profit and loss) statement, and schedule of gross revenue and reconciliations were not timely submitted to the Department, ranging from 2 to 47 days late.
  - 23 of 42 (55%) required reports consisting of financial statements, profit and loss statement, annual forecast of operating revenues and expenses, budget of capital expenditures, summary of concession's marketing plan, and annual cash flow analysis were not submitted to the Department.
  - One of 42 (2%) required reports consisting of a profit and loss statement was not date stamped upon receipt by the Department. As a result, we were unable to determine if the report was timely submitted to the Department.

The Department's standard contract language for concessionaires and lessees requires the concessionaires to submit at a specified time the following reports:

- a) Financial Statements;
- b) Profit and Loss Statement (Statement of Income);
- c) Schedule of Gross Revenue classified by rental category; Reconciliations of the Schedule of Gross Revenue with Lessee's revenue reports, lessee's annual forecast of operating revenues and expenses for the next calendar year;
- d) Budget of capital expenditures for real and personal property for next fiscal year, and for rolling, prospective 3-year period;
- e) Summary of Concession's marketing plan for the next fiscal year; and
- f) Annual cash flow analysis which itemizes cash flow estimates on a monthly basis.

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2020-016. **FINDING** (Failure to Enforce Concessionaire Lease Agreements) - Continued

- During our test of controls over monitoring of seven concession and lease agreements, we noted an agreement's (14%) late payment penalty of \$454 was not charged and collected from the concessionaire/lessee.

The Department's standard contract language for concessionaires requires if any payment is not paid to the Department within ten days after the due date, a late charge of a certain percent of the payment due and unpaid, plus a fixed dollar amount is to be added to the payment and have it become immediately due and payable.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance revenues and funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

This finding was first reported in Fiscal Year 2006. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures to improve its controls over concessions and lease agreements.

Department personnel indicated the Department performs necessary communication with lessees to encourage their utmost compliance with the signed and executed agreements. Moreover, Department personnel indicated the missing date stamps on the monthly reserve account remittances, reports, and other exceptions were mostly due to oversight considering the number of lessees being monitored.

Failure to enforce concession and lease terms, including payments and the submission of required lease documents, impairs the Department's ability to ensure concessionaires are in good standing and could result in decreased revenue to the Department. (Finding Code No. 2020-016, 2018-007, 2016-005, 2014-004, 12-2, 10-2, 08-3, 06-9)

**RECOMMENDATION**

We recommend the Department monitor concessionaires to enforce its contractual agreements and send concessionaires formal written communication when they fail to comply with their contractual obligations to the Department.

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2020-016. **FINDING** (Failure to Enforce Concessionaire Lease Agreements) - Continued

**DEPARTMENT RESPONSE**

The Department agrees with the recommendation and is now sending notices/letters to the lessees reminding them of the deadline when the reports are due and contacts the lessee to request items that are past due.

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2020-017. **FINDING** (Required Reports Not Properly Completed)

The Department of Natural Resources (Department) did not ensure required reports were completed properly.

During our testing, we noted the following:

- The Department did not accurately prepare the annual Certification of Inventory (Certification) submitted to the Department of Central Management Services (DCMS):
  - In Fiscal Year 2019 Certification, the Department reported an inventory discrepancy of \$157,603 instead of \$314,225. In addition, the Department reported the value of total inventory as \$247,974,422 instead of \$100,354,507. As a result, the discrepancy ratio reported by the Department was only 0.1% when it should have been 0.3% that could have triggered the requirement from the DCMS for re-examination and a written explanation and/or onsite investigation.
  - In Fiscal Year 2020 Certification, the Department reported a discrepancy of \$50,374 instead of \$117,812 in the annual count. In addition, the value of total inventory was reported at \$11,096,305 instead of \$115,746,969. As a result, the Department reported an erroneous discrepancy ratio of 0.5% instead of 0.1%.

The Illinois Administrative Code (44 Ill. Admin. Code 5010.490 (a) and (f)) requires the Department to report all discrepancies between the previous inventory certification and the current inventory to DCMS. The DCMS requires re-examination and written explanation, and/or on-site investigations for unusually large discrepancies.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance property and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

- The Department did not accurately prepare its Agency Fee Imposition Report (Report). During our review of the Fiscal Year 2019 Report, we noted the following:
  - Registration fees for snowmobile trail pass, totaling \$4,950, had no supporting documents on-file;

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2020-017. **FINDING** (Required Reports Not Property Completed) - Continued

- Watercraft registration fees, concession income, licenses and permits, and sale of stamps, totaling \$556,689, were not included on the Report; and
- Camping fees, rental fees, hunting and license permits, and events registration fees were not reconciled to the supporting documents and were underreported by \$709,763.

The State Comptroller Act (15 ILCS 405/16.2(a)) requires the Department to file the Agency Fee Imposition Report with the Office of Comptroller. In addition, the Statewide Accounting Management System (SAMS) (Procedure 33.16.20) requires the Department to report assessments, fees, permits, and registration fees imposed on citizens and private organizations on the Agency Imposition Report.

- The Department did not properly complete the Accounting for Leases-Lessee (SCO-560) forms. During our review, we noted two of five (40%) SCO-560 forms tested did not provide the appropriation codes and detail object codes used to make payments for leased assets.

The Statewide Accounting Management Systems (SAMS) (Procedure 27.20.60) requires the Department to provide on Form SCO-560 the appropriation code(s) and detail object code(s) used to make payments for leased assets.

Department personnel indicated the errors in the Certifications were due to a misunderstanding of the reporting requirements. Department personnel also indicated that due to oversight the appropriation codes were not specified on SCO-560 forms and fees were not properly included or supported in the Agency Fee Imposition Report.

Failure to prepare an accurate Annual Inventory Certification may inhibit the oversight function of the State to regulate the accountability and control of the State-owned property. Also, failure to accurately prepare the form SCO-560 and the Agency Fee Imposition Report is a noncompliance with SAMS and State laws and results in the Office of Comptroller reporting inaccurate information to the General Assembly. (Finding Code No. 2020-017)

**RECOMMENDATION**

We recommend the Department review the reporting requirements to ensure accurate and adequate information is reported on the Certification of Inventory, Agency Fee Imposition Report, and SCO-560 forms.

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2020-017. **FINDING** (Required Reports Not Property Completed) - Continued

**DEPARTMENT RESPONSE**

The Department agrees with the recommendation to review the reporting requirements to ensure accurate and adequate information is reported on the Certification of Inventory, Agency Fee Imposition Report, and SCO-560 forms.

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2020-018. **FINDING** (Inadequate Controls over Contractual Agreements and Obligations)

The Department of Natural Resources (Department) did not exercise adequate controls over its contractual agreements and contract obligations.

- During our testing of contractual agreements, intergovernmental agreements, and real property leases, we noted the following:

- Five of 40 (13%) contractual agreements were not timely filed with the Office of Comptroller, ranging from two to 97 days late.

The Illinois Procurement Code (30 ILCS 500/20-80(b)) requires the Department to file a copy of the contract exceeding \$20,000 with the Office of Comptroller within 30 days of contract execution.

- Eight of 25 (32%) intergovernmental agreements were executed seven to 155 days after the beginning of the agreement period.

Good business practices require all agreements be properly approved and fully executed prior to the commencement of services.

In addition, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls. This would include controls to ensure contracts are fully executed prior to the start of the contract term.

- Three of seven (43%) real property lease contracts did not have the required disclosure of the right to audit records.

The Statewide Accounting Management System (SAMS) (Procedure 15.20.40) requires real property leases to include a right to audit records clause, among other contractual disclosure requirements.

- The Department did not perform reconciliations of its contractual agreements with the Office of Comptroller's monthly Agency Contract Report (SC14) or Obligation Activity Report (SC15) during Fiscal Years 2019 and 2020.

The Statewide Accounting Management System (SAMS) (Procedure 15.30.10) requires the Department to reconcile the information contained in SC14 or SC15 reports to the Department's internal records and report any discrepancies to the Office of Comptroller.

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2020-018. **FINDING** (Inadequate Controls over Contractual Agreements and Obligations) -  
Continued

Department personnel indicated the missing clause, untimely agreement execution, and untimely filing of contracts with the Office of Comptroller were due to oversight. Department personnel also indicated the failure to perform reconciliations with the monthly SC14 and SC15 reports was due to the Department's inability to generate reports from the new accounting system to perform reconciliations.

Failure to timely file contractual agreements with the Office of Comptroller and timely execute agreements is noncompliance with State statutes. Also, failure to ensure the Department's contractual agreements include all required clauses may hinder the Department in enforcing actions against the vendors in the event of noncompliance. In addition, failure to perform monthly reconciliations with SC14 or SC15 reports may result in incorrect accounting and reporting of contracts and obligations. (Finding Code No. 2020-018, 2018-018)

**RECOMMENDATION**

We recommend the Department ensure contracts and agreements are timely executed and contracts are timely filed with the Office of Comptroller. We also recommend the Department ensure all contractual agreements include required contractual clauses. Further, we recommend the Department conduct necessary employee training to generate reports from the new system to ensure monthly reconciliations of SC14 or SC15 reports are performed.

**DEPARTMENT RESPONSE**

The Department agrees with the recommendations. The Department will work on ensuring contracts and agreements are timely executed and contracts are timely filed with the Office of Comptroller as well as implementing procedures to ensure all contractual agreements include required contractual certifications and clauses. The Department will work on performing monthly reconciliations of SC14 and SC15 reports.

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2020-019. **FINDING** (Inadequate Controls over Investment of Public Funds)

The Department of Natural Resources (Department) did not exercise adequate controls over its investment of public funds activities and related reporting.

The Korean Memorial and Purple Heart Fund (Fund), a locally held fund, was created from public contributions for the maintenance of the Korean War Memorial and Purple Heart Memorial. As of June 30, 2020, the fair value of balances held in this Fund totaled \$174,686.

The Department did not implement an investment policy related to the investment of the Fund. By default, the Fund was subject to the State Treasurer's Investment Policy Statement for the State Investments Portfolio (Policy). We noted the Department did not comply with the Policy as follows:

- The money management firm utilized by the Department was not listed as an approved broker by the State Treasurer.

Section 1.0 of the Policy states the policy applies to any State agency investment not under the control of the State Treasurer for which no other specific investment policy exists. Section 5.0 of the Policy limits investment broker/dealers with which State agencies may do business to those approved by the Treasurer.

- The Department did not maintain an adequate system of internal controls over investment of public funds.

Section 11.0 of the Policy requires a system of control and written operational procedures that shall be documented and filed with the State Treasurer's Chief Internal Auditor for review. These controls shall be designed to prevent the loss of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by authorized investment officers.

In addition, we noted the Department did not post investment related information to its website each month.

The Accountability for the Investment of Public Funds Act (Act) (30 ILCS 237/10) requires State agencies with authority to invest public funds, to report by the 15th of each month on the Internet the amount of funds held by the agency on the last day of the preceding month or the average daily balance for the preceding month, total monthly investment income and yield for all funds invested, the asset allocation of the investments made by the agency, and the agency's approved broker.

Department personnel indicated the issues identified were due to staffing constraints.

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2020-019. **FINDING** (Inadequate Controls over Investment of Public Funds) - Continued

Failure to comply with the State Treasurer's Investment Policy may result in loss of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by authorized investment officers. Also, failure to comply with the Act's provisions for public posting of investment information limits transparency related to the investment of public money by the State. (Finding Code No. 2020-019, 2018-020)

**RECOMMENDATION**

We recommend the Department develop an investment policy or ensure compliance with the existing State Treasurer's Investment Policy. If complying with the State Treasurer's Investment Policy, the Department should ensure the money management firm is listed as an approved broker by the State Treasurer and proper controls are established. We also recommend the Department post investment information on its website by the 15<sup>th</sup> of each month.

**DEPARTMENT RESPONSE**

The Department agrees with the recommendation and will work on developing an investment policy or ensure compliance with the existing State Treasurer's Investment Policy. The Department will work on posting investment information on its website by the 15<sup>th</sup> of the month.

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2020-020. **FINDING** (Inadequate Controls over Fuel Reconciliations)

The Department of Natural Resources (Department) did not maintain adequate controls over reconciliations of fuel at various sites.

During our testing of 60 monthly fuel reconciliations at ten Department sites, we noted the following:

- Four (7%) fuel reconciliations contained mathematical and summarization errors resulting in inaccurate monthly reconciliations.
- Twenty-one (35%) fuel reconciliations had overages or shortages that did not have documentation supporting management's investigation of the overages or shortages.
- Forty-three (72%) fuel reconciliations did not contain any evidence of supervisory review and approval.
- Seven (12%) fuel reconciliations were performed without using stick measurements in the reconciliation process.
- Two (3%) fuel reconciliation reports could not be located.
- One (2%) fuel reconciliation report was not performed.

The Department's policy requires on the first day of the month, prior to any fuel pumped, each site to take a meter reading at the pump, record the reading on the Monthly Fuel Reconciliation form, or, if no meter, take a stick reading and record the amount in gallons. Totals from fuel logs and totals pumped from meter should be relatively close, if all fuel is recorded, and there are no problems with the meters. If a site does not have an accurate meter, the site can use a stick to maintain the reading. Fuel usage will be reconciled monthly between the logbook and the meter. Any variance of 25 gallons or more will be investigated by the Site Superintendent, and a memo will be kept on file explaining the reason for the variance.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance expenditures and resources applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

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2020-020. **FINDING** (Inadequate Controls over Fuel Reconciliations) - Continued

This finding was first reported in Fiscal Year 2010. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures to improve its controls over fuel reconciliations.

Department personnel indicated, as they did in the prior year, the deficiencies noted were due to lack of staff, oversight, and competing priorities.

Failure to prepare and review fuel reconciliations impairs each site's ability to determine whether overages or shortages are occurring from leaks, unauthorized withdrawals, or misreported fuel deliveries and usages. (Finding Code No. 2020-020, 2018-021, 2016-013, 2014-006, 12-4, 10-4)

**RECOMMENDATION**

We recommend the Department ensure all fuel reconciliations are properly completed and reviewed, any overages or shortages are investigated, and the results of any such investigations are fully documented.

**DEPARTMENT RESPONSE**

The Department agrees with the recommendation and will work to ensure all fuel reconciliations are properly completed and reviewed and any overages or shortages are investigated and the results of the investigations are fully documented.

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2020-021. **FINDING** (Internal Audit Deficiencies)

The internal audit function at the Department of Natural Resources (Department) failed to comply with the Fiscal Control and Internal Auditing Act (Act) and the International Standards for the Professional Practice of Internal Auditing.

During our testing, we noted the following:

- The Department's internal audit function did not conduct reviews of the design of major new electronic data processing (EDP) systems and major modifications to existing EDP systems. During Fiscal Year 2019, the Department implemented the Enterprise Resource Planning (ERP) System. The internal audit function was involved in a consulting capacity during the pre-implementation of the ERP; however, there was no internal audit report issued to discuss the scope and results of the participation by the internal audit function. During Fiscal Years 2019 and 2020, the internal audit function initiated communication and obtained preliminary information from system owners to conduct future internal audit reviews of new system implementations.

The Act (30 ILCS 10/2003(a) (3)) requires the Department's Director ensure its internal audit function reviews major new systems and major modifications to existing systems prior to the system's installation to ensure the system provides adequate audit trails and accountability.

- The Department's internal audit function did not audit the Department's major systems of internal accounting and administrative controls such as obligation, expenditure, receipt, and use of public funds of the State and of the funds held in trust on a periodic basis so that all systems are reviewed every two years.

The Act (30 ILCS 10/2003(a) (2)) requires the Department's Director ensure its internal audit function audits the Department's major systems of internal accounting and administrative controls on a periodic basis so that all major systems are reviewed at least once every two years, which must include testing of (1) the obligation, expenditure, receipt, and use of public funds of the State and of the funds held in trust to determine whether those activities are in accordance with applicable laws and regulations; (2) and grants received or made by the Department to determine that the grants are monitored, administered, and accounted for in accordance with applicable laws and regulations.

- The two-year audit plan for Fiscal Years 2019 and 2020 was submitted 68 days late to the Director.

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2020-021. **FINDING** (Internal Audit Deficiencies) - Continued

The Act (30 ILCS 10/2003(a)(1)) requires the Chief Internal Auditor to submit a two-year plan to the Department Director for approval before the beginning of the fiscal year.

- The Department's internal audit function did not undergo an external quality assurance review since its creation in 2010.

The International Standards for the Professional Practice of Internal Auditing, Standard 1312 - External Assessments, requires an internal audit to undergo an external quality assurance review at least once every five years.

- The Department's internal audit function did not evaluate the design, implementation, and effectiveness of the Department's ethics related objectives, programs, and activities.

The International Standards for the Professional Practice of Internal Auditing, Standard 2110.A1, requires the internal audit to evaluate the design, implementation, and effectiveness of the Department's ethics-related objectives, programs, and activities.

This finding was first reported in Fiscal Year 2014. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures to address internal audit deficiencies.

Department personnel indicated limited staffing affected their ability to complete all required internal audit activities. During Fiscal Year 2019, an Interim Chief Internal Auditor was appointed; however, a permanent Chief Internal Auditor was not hired until July 2019. Currently, the Internal Audit Department has no staff auditors.

Failure to ensure the Department's internal audit function carries out its duties mandated by the Act represents noncompliance with State law, impairs the Department's ability to ensure the appropriate corrective action has been taken on prior findings, could result in areas not being subjected to internal audit review for a substantial period of time, and increases the risk of errors or other irregularities that could occur and not be detected during the normal course of operations. Failure of the internal audit function to be subjected to external quality assurance review may result in the internal audit deficiencies not being timely detected and opportunities for improvements not being timely identified. Failure to evaluate the design, implementation, and effectiveness of the Department's ethics related objectives results in noncompliance with professional standards for the internal audit. (Finding Code No. 2020-021, 2018-012, 2016-010, 2014-007)

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2020-021. **FINDING** (Internal Audit Deficiencies) - Continued

**RECOMMENDATION**

We recommend the Department ensure its internal audit function complies with the provisions of the Act and the International Standards for the Professional Practice of Internal Auditing.

**DEPARTMENT RESPONSE**

The Department agrees with the recommendation to ensure its internal audit function complies with the provisions of the Act and the International Standards for the Professional Practice of Internal Auditing. Although no permanent staff auditors have been retained, the Department's internal audit function has been utilizing the services of an intern. This will assist the Chief Internal Auditor in addressing the compliance issues noted. In addition, the Department's internal audit function will continue to reevaluate current operating procedures in an effort to become more efficient and effective.

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2020-022. **FINDING** (Inaccurate and Incomplete Agency Workforce Reports)

The Department of Natural Resources (Department) did not ensure its Agency Workforce Reports (Report) were accurately completed and timely submitted to the Office of Governor and the Secretary of State.

During our review of the Department's Reports, we noted the following:

- The Department could not provide supporting documentation for professional and contractual employment categories on its Fiscal Year 2019 Report. In addition, the Department could not provide supporting documentation for professional, contractual, and open positions categories for its Fiscal Year 2018 Report.
- The Department did not ensure the count and percentages on the Fiscal Years 2019 and 2018 Reports agreed with the supporting documentation.

The State Records Act (5 ILCS 160/8) requires the Department to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Department, designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the State's activity.

- The Department did not submit the Reports timely. The Fiscal Year 2019 Report was submitted to the Secretary of State 5 days late. The Fiscal Year 2018 Report was submitted 23 days late to the Office of the Governor and 26 days late to the Secretary of State.

The State Employment Records Act (5 ILCS 410/20) requires the Department to file an annual Agency Workforce Report with the Office of the Governor and Secretary of State by January 1 of each year.

- The Department did not submit the amended Fiscal Year 2016 Report to the Office of the Governor and the Secretary of State and the amended Fiscal Year 2017 Report to the Office of the Governor. In addition, the amended Fiscal Year 2017 Report was submitted to the Secretary of State 468 days after the release of the prior year compliance examination report.

The Illinois State Auditing Act (30 ILCS 5/3-2.2(b)) requires the Department to prepare and file with the Governor and the Secretary of State corrected Agency Workforce Reports covering the periods affected by noncompliance within 30 days after the release of the audit by the Auditor General.

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2020-022. **FINDING** (Inaccurate and Incomplete Agency Workforce Reports) - Continued

This finding was first reported in Fiscal Year 2016. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures to improve its controls over the preparation of a complete and accurate Agency Workforce Reports.

Department personnel indicated the inaccuracies in the reports and the non-submission or untimely submission of the reports were due to oversight, employee turnover and competing priorities for responsible employees.

Failure to properly prepare and timely submit accurate Agency Workforce Reports may deter efforts by State officials, administrators, and residents to achieve a more diversified State workforce and inhibit the State from accumulation of meaningful oversight information. Failure to maintain proper documentation supporting the Reports results in noncompliance with the State Records Act. (Finding Code No. 2020-022, 2018-013, 2016-011)

**RECOMMENDATION**

We recommend the Department implement controls and additional reviews over its Reports to ensure they are complete, accurate, and timely submitted. In addition, we recommend the Department file corrected Reports in accordance with the Illinois State Auditing Act and maintain proper documentation supporting the Reports in accordance with the State Records Act.

**DEPARTMENT RESPONSE**

The Department agrees with the recommendation. The Department will implement controls and additional reviews over its reports to ensure they are complete, accurate and timely submitted. The Department will maintain proper documentation supporting the Reports in accordance with the State Records Act.

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2020-023. **FINDING** (Inadequate Controls over Overtime)

The Department of Natural Resources (Department) did not exercise adequate control over employees' overtime.

The Department paid overtime totaling \$1,405,481 and \$1,214,897 during Fiscal Years 2019 and 2020, respectively. During our testing of 40 overtime payments, we noted 34 (85%) payments were not timely authorized and approved prior to working overtime, ranging from one to 922 days late.

The Department's *Timekeeping Handbook*, Section 21, requires all overtime be authorized and approved in advance, except in emergency situations. An Authorization for Work Hours and Pay Variance Form will be the official document on which overtime is authorized and approved.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

This finding was first reported in Fiscal Year 2014. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures to improve its controls over overtime.

Department personnel indicated the conditions noted were due to oversight and competing priorities for the responsible personnel.

Failure to follow the Department's *Timekeeping Handbook* regarding overtime increases the risk the Department will pay for services not rendered by employees. (Finding Code No. 2020-023, 2018-014, 2016-012, 2014-013)

**RECOMMENDATION**

We recommend the Department enforce its policies concerning the prior approval and documentation of employee overtime.

**DEPARTMENT RESPONSE**

The Department agrees with the recommendation. The Department has made several changes, including automating accrued time, including overtime, modifying the Pay Variance system to include additional signatures for oversight. The Department is going to a new timekeeping system in Fiscal Year 2022 which should help eliminate issues with overtime as it will require advance approvals.

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2020-024. **FINDING** (Inadequate Controls over Voucher Processing)

The Department of Natural Resources (Department) did not have adequate controls over voucher processing.

During our testing of 338 vouchers, we noted the following:

- 95 (28%) vouchers, totaling \$8,909,575, were approved for payment one to 316 days late.

The Illinois Administrative Code (Code) (74 Ill. Admin. Code 900.70(a)) requires the Department to review in a timely manner each bill after its receipt to determine if the bill is a proper bill. The Code (74 Ill. Admin. Code 900.70(b)) requires the Department to approve a bill or deny the bill with defects, in whole or in part, within 30 days after receipt.

- Seven (2%) vouchers, totaling \$1,113,794, did not have documentation of the receipt date of the vendor's bill. Of those, one voucher, totaling \$600,000, did not have the approval by the immediate supervisor or any authorized designee. As a result, we were unable to determine the timeliness of approval and payment of these vouchers.

The Code (74 Ill. Admin. Code 900.30(b)) requires the Department to maintain written or electronic records reflecting the date when:

- 1) goods were received and accepted, or the services were rendered;
- 2) a proper bill was received by the Department;
- 3) an approval for payment was made by the Department;
- 4) a vendor bill was disapproved, in whole or in part, based upon a defect or what the Department believes to be a defect; and
- 5) the payment was issued by the Office of Comptroller.

- 50 (15%) vouchers, totaling \$1,245,052, were paid from two to 360 days late.

The State Prompt Payment Act (30 ILCS 540/3-2(1.05)) requires the Department to pay an invoice within 90 days of receipt of a proper bill or invoice. If payment is not issued within 90 days, an interest penalty of 1.0% of any amount approved and unpaid shall be added for each month, or 0.033% for each day, after the end of this 90-day period, until final payment is made.

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2020-024. **FINDING** (Inadequate Controls over Voucher Processing) - Continued

- Three (1%) vouchers, totaling \$28,125, did not have purchase orders or other obligation documentation.

The State Records Act (5 ILCS 160/8) requires the Department to maintain and preserve records containing adequate and proper documentation of the essential transactions of the agency designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the agency's activities.

- Five (1%) vouchers for purchases of fuel, totaling \$169,440, did not have supporting charge tickets. As a result, we were unable to determine if the fuel charges were for State vehicles.

The Statewide Accounting Management System (SAMS) (Procedure 17.10.20) requires the Department to maintain all supporting documentation necessary to substantiate its encumbrances, expenditures, and other transactions.

This finding was first reported in Fiscal Year 2014. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures to improve its controls over voucher processing.

Department personnel indicated, as they did in the prior year, the untimely approvals and payments of vouchers were either due to oversight or delays in receiving all necessary invoices and documentations from sites throughout the State, many of which were short staffed during the examination period. In addition, Department personnel indicated purchase orders, or obligating documents for purchases were either misplaced or not prepared due to misapplication of the policy or process. Further, Department personnel indicated due to the high volume of fuel transactions, all charge tickets were not collected and preserved. Also, Department personnel stated other exceptions noted are due to a combination of oversight, human errors, and understaffing.

Failure to timely approve and pay vouchers may result in unnecessary interest costs to the State. Failure to properly document the date when a bill was received and approved limits the ability of the Department to determine if interest is due to the vendor. Also, failure to establish and maintain adequate internal controls over voucher processing represents noncompliance with State laws, rules, and regulations and increases the likelihood errors and other irregularities could occur and not be detected in a timely manner by employees in the normal course of performing their assigned duties. (Finding Code No. 2020-024, 2018-005, 2016-003, 2014-010)

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2020-024. **FINDING** (Inadequate Controls over Voucher Processing) - Continued

**RECOMMENDATION**

We recommend the Department improve its voucher processing system to ensure vouchers are timely approved and paid. The Department should ensure receipts, charge tickets, and invoices are maintained to support payments made and improve its process to document the receipt of a proper bill and approval.

**DEPARTMENT RESPONSE**

The Department agrees with the recommendation. The Department has taken steps to improve the voucher processing system with the implementation of a new State-wide accounting system. The Department has improved its procedures to ensure vouchers are timely approved and paid.

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2020-025. **FINDING** (Failure to Issue Off-Highway Vehicle Usage Stamps)

The Department of Natural Resources (Department) failed to issue Off-Highway Vehicle Usage Stamps and collect related monies as required by the Recreational Trails of Illinois Act (Act).

The Act (20 ILCS 862/26) requires the Department to ensure no person, on or after July 1, 2013, operates any off-highway vehicle within the State unless the off-highway vehicle has attached an Off-Highway Vehicle Usage Stamp purchased and displayed and deposit the proceeds from stamp sales into the Park and Conservation Fund and the Conservation Police Operations Assistance Fund.

This finding was first reported in Fiscal Year 2014. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures to ensure compliance with the Act.

Department personnel indicated, as they did in the prior year, the Department has agreed not to issue Off-Highway Vehicle Usage Stamps and collect related monies until the State provides an Off-Highway Vehicle trail system for public use.

Failure to issue Off-Highway Vehicle Usage Stamps and collect related fees reduces the State funds available in the Conservation Police Operations Assistance Fund and the Park and Conservation Fund. (Finding Code No. 2020-025, 2018-006, 2016-004, 2014-003)

**RECOMMENDATION**

We recommend the Department issue Off-Highway Vehicle Usage Stamps and collect the related fees or seek legislative remedy.

**DEPARTMENT RESPONSE**

The Department agrees that it has not issued Off-Highway Vehicle Usage Stamps. The Department has decided not to issue Off-Highway Vehicle Usage Stamps until the State provides an off-road park for off-highway vehicle usage. The Department has also decided not to open the park until the visitor facilities are constructed and operational.

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For the Two Years Ended June 30, 2020

2020-026. **FINDING** (Noncompliance with the Non-Game Wildlife Protection Act)

The Department of Natural Resources (Department) did not comply with the provisions of the Illinois Non-Game Wildlife Protection Act (Act).

During our testing, we noted the Department had not committed or expended 5% of the Illinois Wildlife Preservation Fund (Fund) on grants for the maintenance of wildlife rehabilitation facilities during Fiscal Years 2019 and 2020. We also noted the grant program related to the maintenance of wildlife rehabilitation facilities was suspended during the budget impasse and did not resume after funding returned to normal.

The Act (30 ILCS 155/4(c)) requires the Department to commit or expend 5% of the Fund on grants for the maintenance of wildlife rehabilitation facilities that take care of threatened or endangered species. For purposes of calculating the 5%, the amount in the Fund is exclusive of any federal funds deposited in or credited to the Fund or any amount deposited in the Fund under subsection (b) of Section 805-555 of the Department of Natural Resources (Conservation) Law (20 ILCS 805).

Department personnel indicated the Department did not restart the grant program, because it was not cost effective after consideration of staff expenses managing small grants to comply with the requirements of the Grant Accountability and Transparency Act.

Failure to comply with the Act hinders the State's efforts to protect, preserve, perpetuate, and enhance non-game wildlife in the State. (Finding Code No. 2020-026)

**RECOMMENDATION**

We recommend the Department comply with the requirements of the Act or seek legislative remedy.

**DEPARTMENT RESPONSE**

The Department agrees with the recommendation. The Department will attempt to comply with the requirements of the Act or seek legislative remedy.

STATE OF ILLINOIS  
DEPARTMENT OF NATURAL RESOURCES  
SCHEDULE OF FINDINGS - STATE COMPLIANCE  
For the Two Years Ended June 30, 2020

2020-027. **FINDING** (Inadequate Controls over Employee Performance Evaluations)

The Department of Natural Resources (Department) did not exercise adequate control over employee performance evaluations.

During our testing, we noted the following:

- 20 of 60 (33%) employees' annual performance evaluations were not completed.
- 27 of 60 (45%) employees' annual performance evaluations were not timely completed, with evaluations performed two to 356 days late.
- Probationary period evaluations were not prepared for two of 10 (20%) newly hired employees.
- A probationary period evaluation was not timely performed for one of 10 (10%) newly hired employees. The evaluation was performed 11 days late.

The Illinois Administrative Code (Code) (80 Ill. Admin. Code 302.270(d)) requires the Department to prepare performance evaluations at least annually for each certified employee.

In addition, the Department's Policy and Procedure Manual (Chapter 3, Section 3c-4) requires supervisors to complete an evaluation of each respective subordinate staff member annually. Further, the Department's Policy and Procedure Manual requires the Department to complete performance evaluations of employees at the end of three months and again prior to the end of the employee probationary period. These evaluations must be completed and submitted to the Human Resources Division three weeks prior to the end of the six-month probationary period.

Department personnel indicated the failure to complete or timely complete performance evaluations was a mixture of oversight, workload demands, worksite location, and timing constraints of supervisors and employees to meet for discussion of the evaluation.

Employee performance evaluations are a systematic and uniform approach used for the development of employees and to communicate performance expectations. Employee performance evaluations should serve as a foundation for a salary adjustments, promotion, demotions, discharges, layoffs, recall, and reinstatement decisions. (Finding Code No. 2020-027)

STATE OF ILLINOIS  
DEPARTMENT OF NATURAL RESOURCES  
SCHEDULE OF FINDINGS - STATE COMPLIANCE  
For the Two Years Ended June 30, 2020

2020-027. **FINDING** (Inadequate Controls over Employee Performance Evaluations)  
- Continued

**RECOMMENDATION**

We recommend the Department evaluate its procedures for monitoring employee performance evaluations to ensure the evaluations are timely completed.

**DEPARTMENT RESPONSE**

The Department agrees with the recommendation and will evaluate procedures for monitoring performance evaluations to ensure the evaluations are annually completed and performed timely. The Department intends to begin training relating to performance evaluations in an effort to emphasize the importance of timely and accurate performance evaluations.

STATE OF ILLINOIS  
DEPARTMENT OF NATURAL RESOURCES  
SCHEDULE OF FINDINGS - STATE COMPLIANCE  
For the Two Years Ended June 30, 2020

2020-028. **FINDING** (Lack of Contingency Planning or Testing to Ensure Recovery of Computer Systems)

The Department of Natural Resources (Department) had not provided adequate planning for the recovery of its applications and data.

The Department carries out its mission through the use of Information Technology. While the Department started the process of preparing disaster contingency plans for selected applications, we noted the Department did not have a comprehensive disaster recovery plan and had not conducted a recovery testing during the examination period.

Although the Department utilized the Department of Innovation and Technology (DoIT) as their information technology service provider, the Department has a shared responsibility with the service provider to ensure the security, availability, and integrity of its applications and data.

Information technology guidance (including the National Institute of Standards and Technology and Government Accountability Office) endorses the formal development and testing of disaster recovery plans. Tests of disaster recovery plans (and the associated documentation of the test results) verify that the plan, procedures, and resources provide the capability to recover critical systems within the required timeframe.

This finding was first reported in Fiscal Year 2012. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures to establish a disaster recovery plan and test the plan.

Department personnel indicated, as they did in the prior year, their efforts to perform full disaster recovery planning and testing have been limited by insufficient staffing levels.

Failure to develop and test a comprehensive plan leaves the Department exposed to the possibility of major disruptions of services. (Finding Code No. 2020-028, 2018-008, 2016-006, 2014-014, 12-12)

**RECOMMENDATION**

We recommend the Department continue its effort to develop and implement a comprehensive disaster recovery plan that reflect the Department's current environment and aligns with management's intentions.

Additionally, the Department should work with DoIT and provide essential information to ensure plans, facilities, and other operational provisions are appropriately aligned.

STATE OF ILLINOIS  
DEPARTMENT OF NATURAL RESOURCES  
SCHEDULE OF FINDINGS - STATE COMPLIANCE  
For the Two Years Ended June 30, 2020

2020-028. **FINDING** (Lack of Contingency Planning or Testing to Ensure Recovery of Computer Systems) - Continued

Finally, once a comprehensive plan has been developed and implemented, the Department should ensure it is tested at least annually.

**DEPARTMENT RESPONSE**

The Department agrees with the recommendation and will continue its effort to develop and implement a comprehensive disaster recovery plan that reflects the Department's current environment and aligns with management's intentions. The Department will continue to work with DoIT and provide essential information to ensure plans, facilities, and other operational provisions are appropriately aligned.

STATE OF ILLINOIS  
DEPARTMENT OF NATURAL RESOURCES  
SCHEDULE OF FINDINGS - STATE COMPLIANCE  
For the Two Years Ended June 30, 2020

2020-029. **FINDING** (Weaknesses with Payment Card Industry Data Security Standards)

The Department of Natural Resources (Department) did not ensure compliance with the Payment Card Industry Data Security Standards (PCI DSS).

The Department contracted with a vendor to operate, manage, and modify DNR Direct, an online network that allows citizens to purchase licenses, permits and to make reservations at State campgrounds.

Through DNR Direct, the Department sold various types of privileges, including but not limited to: hunting and fishing licenses; trail passes; permits; watercraft and snowmobile registrations and renewals; commercial licenses; and camping reservations. The Department accepted credit card payments for these various privileges totaling \$37,852,539 and \$35,352,252 for Fiscal Years 2019 and 2020, respectively. Credit card payments were accepted by the Department via bank point-of-sale terminals and the Internet.

Specifically, we noted the Department had not:

- Formally assessed each program accepting credit card payments, the methods in which payments could be made, matched these methods to the appropriate Self-Assessment Questionnaire (SAQ), and contacted service providers and obtained relevant information and guidance as deemed appropriate.
- Completed a SAQ addressing all elements of its environment utilized to store, process, and transmit cardholder data.
- Obtained and reviewed the service provider's System and Organization Controls (SOC) reports.

PCI DSS was developed to detail security requirements for entities that store, process, or transmit cardholder data. Cardholder data is any personally identifiable data associated with a cardholder. To assist in the assessments of environment, the Payment Card Industry (PCI) Council established SAQs for validating compliance with PCI core requirements.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

STATE OF ILLINOIS  
DEPARTMENT OF NATURAL RESOURCES  
SCHEDULE OF FINDINGS - STATE COMPLIANCE  
For the Two Years Ended June 30, 2020

2020-029. **FINDING** (Weaknesses with Payment Card Industry Data Security Standards)  
- Continued

The *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST) Maintenance and System and Service Acquisition sections, requires entities outsourcing their information technology environment or operations to obtain assurance over the entities' internal controls related to the services provided. Such assurance may be obtained via SOC reports or independent reviews.

This finding was first reported in Fiscal Year 2016. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures over compliance with PCI DSS requirements.

Department personnel indicated the Department's failure to demonstrate compliance with the PCI DSS requirements was due to limited staffing resources.

Failure to ensure compliance with PCI DSS increases the risk of unauthorized disclosure and unintended use of confidential information. Without obtaining and reviewing a SOC report or another form of independent review, the Department does not have assurance the service provider's internal controls are adequate. (Finding Code No. 2020-029, 2018-009, 2016-007)

**RECOMMENDATION**

We recommend the Department assess each program accepting credit card payments, the methods in which payments can be made, and match these methods to the appropriate SAQ and complete those SAQs at least annually.

We also recommend the Department obtain SOC reports or perform independent reviews of internal controls of service providers associated with the outsourced services.

**DEPARTMENT RESPONSE**

The Department agrees with the recommendation. The Department will continue working on the Self-Assessment Questionnaire and will also continue to work on obtaining the SOC report as well as explore repercussions available concerning the delinquency of the report.

STATE OF ILLINOIS  
DEPARTMENT OF NATURAL RESOURCES  
SCHEDULE OF FINDINGS - STATE COMPLIANCE  
For the Two Years Ended June 30, 2020

2020-030. **FINDING** (Weaknesses in Cybersecurity Programs and Practices)

The Department of Natural Resources (Department) had not implemented adequate internal controls related to cybersecurity programs and practices.

As a result of the Department's mission, they collect, process and maintain large volumes confidential and sensitive information, including names, addresses, driver's license numbers, credit card numbers, and social security numbers for various applicants' licenses.

The Illinois State Auditing Act (30 ILCS 5/3-2.4) requires the Auditor General to review State agencies and their cybersecurity programs and practices. During our examination of the Department's cybersecurity program, practices, and control of confidential information, we noted the Department:

- Had not performed a comprehensive risk assessment to identify all forms of confidential or personal information to ensure adequate physical and logical security controls are established to safeguard data and resources.
- Did not maintain sufficient controls over documents containing personal/confidential information. During our walk-throughs of the facility, we noted documents containing personal/confidential information (including person's name, address, date of birth, social security number) were located in unsecured bins and trays in areas of public access.
- Did not ensure laptops were encrypted to protect data at rest. During our testing of 40 laptops, we noted two (5%) did not have encryption installed.
- Did not have adequate controls over lost or missing computer equipment items. Five items reported as missing during the Department's inventory process were laptops where the Department could not determine if any confidential information was stored on these laptops and whether notification was required as outlined in the Personal Information Protection Act.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance property and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

The Personal Information Protection Act (Act) (815 ILCS 530) requires the Department to ensure confidential and personal information is protected from disclosure. The Act also requires the Department to notify Illinois residents in case of breach of personal information.

STATE OF ILLINOIS  
DEPARTMENT OF NATURAL RESOURCES  
SCHEDULE OF FINDINGS - STATE COMPLIANCE  
For the Two Years Ended June 30, 2020

2020-030. **FINDING** (Weaknesses in Cybersecurity Programs and Practices) - Continued

This finding was first reported in Fiscal Year 2012. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures over securing confidential information.

Department personnel indicated a comprehensive risk assessment was not performed due to staffing constraints. Additionally, Department personnel indicated documents containing confidential information located in unsecured bins and trays were due to employees not following proper procedures in handling and protecting confidential information that was covered in the mandatory annual security awareness training. Department personnel further indicated the laptops were not properly encrypted due to oversight on one laptop and the other one being procured before the laptop encryption policy was enacted. Lastly, Department personnel indicated the inability to determine if confidential information was maintained on lost or missing computer equipment was due to lack of a comprehensive risk assessment and process to identify confidential and personal information.

The lack of adequate cybersecurity programs and practices could result in unidentified risk and vulnerabilities and ultimately lead to the Department's volumes of confidential and personal information being susceptible to cyber-attacks and unauthorized disclosure. (Finding Code No. 2020-030, 2018-010, 2016-008, 2014-015, 12-13)

**RECOMMENDATION**

The Department has the ultimate responsibility for ensuring confidential and personal information is protected from accidental or unauthorized disclosure. Specifically, we recommend the Department:

- Perform a comprehensive risk assessment to identify and ensure adequate protection of all forms of confidential or personal information;
- Ensure hardcopy confidential information is adequately secured and properly disposed of;
- Ensure laptops are protected with encryption;
- Ensure computer equipment items containing confidential information are properly disposed of; and
- Should immediately assess if missing laptops contained confidential information.

STATE OF ILLINOIS  
DEPARTMENT OF NATURAL RESOURCES  
SCHEDULE OF FINDINGS - STATE COMPLIANCE  
For the Two Years Ended June 30, 2020

2020-030. **FINDING** (Weaknesses in Cybersecurity Programs and Practices) - Continued

**DEPARTMENT RESPONSE**

The Department agrees with the recommendation. DoIT-DNR performed a risk assessment, and a mitigation plan is addressing 10 action items across 8 controls. Cybersecurity Training is provided to all staff annually. The training includes IT-related security matters as well as physical workplace security topics.

STATE OF ILLINOIS  
DEPARTMENT OF NATURAL RESOURCES  
SCHEDULE OF FINDINGS - PRIOR FINDINGS NOT REPEATED  
For the Two Years Ended June 30, 2020

A. **FINDING** (Inadequate Control and Oversight over Valuation of Intangibles)

During the prior audit, the Department of Natural Resources (Department) did not have adequate control and oversight over the valuation of donated intangible assets and the responsibility to value assets was not clearly assigned to a responsible individual or division.

During the current audit, our sample testing indicated the Department implemented control and oversight over the valuation of donated intangible assets. The Office of Realty and Capital Planning was assigned the responsibility to value donated intangible assets. (Finding Code No. 2018-001)

STATE OF ILLINOIS  
DEPARTMENT OF NATURAL RESOURCES  
SCHEDULE OF LOCALLY-HELD FUND RECEIPTS AND DISBURSEMENTS  
For the Fiscal Year Ended June 30,

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b><u>LOCALLY-HELD FUNDS</u></b>			
<b>Investigative Cash Fund - 1204</b>			
Balance, Beginning of the Fiscal Year	\$ 9,800	\$ 10,000	\$ 10,000
Receipts	200	-	120
Disbursements	1,270	200	120
Balance, Beginning of the Fiscal Year	<u>\$ 8,730</u>	<u>\$ 9,800</u>	<u>\$ 10,000</u>
<b>Mines and Minerals Security Trust Fund - 1332</b>			
Balance, Beginning of the Fiscal Year	\$ 6,042,852	\$ 6,058,425	\$ 5,657,840
Receipts	411,308	1,216,432	788,351
Disbursements	1,138,000	1,232,005	387,766
Balance, Beginning of the Fiscal Year	<u>\$ 5,316,160</u>	<u>\$ 6,042,852</u>	<u>\$ 6,058,425</u>
<b>Lands Division Sites Fund - 1428</b>			
Balance, Beginning of the Fiscal Year	\$ 52,153	\$ 22,801	\$ 70,905
Receipts	3,067,799	2,387,988	3,875,177
Disbursements	3,064,827	2,358,636	3,923,281
Balance, Beginning of the Fiscal Year	<u>\$ 55,125</u>	<u>\$ 52,153</u>	<u>\$ 22,801</u>
<b>Historic Sites Receipts Fund - 1429</b>			
Balance, Beginning of the Fiscal Year	\$ 20,133	\$ 60,783	\$ 39,878
Receipts	397,270	468,745	628,908
Disbursements	415,247	509,395	608,003
Balance, Beginning of the Fiscal Year	<u>\$ 2,156</u>	<u>\$ 20,133</u>	<u>\$ 60,783</u>
<b>Korean Memorial and Purple Heart Fund - 1436</b>			
Balance, Beginning of the Fiscal Year	\$ 174,345	\$ 173,208	\$ 172,339
Receipts	466	1,262	894
Disbursements	125	125	25
Balance, Beginning of the Fiscal Year	<u>\$ 174,686</u>	<u>\$ 174,345</u>	<u>\$ 173,208</u>

Note 1: These balances were obtained from the Department's records and have been reconciled to the Department's *Report of Receipts and Disbursements for Locally Held Funds* for each locally held fund submitted to the Office of Comptroller as of June 30, 2020, and June 30, 2019.

Note 2: This schedule is presented on the cash basis of accounting.

STATE OF ILLINOIS  
**DEPARTMENT OF NATURAL RESOURCES**  
**SCHEDULE OF CHANGES IN PROPERTY**  
For the Year Ended June 30, 2020  
(IN THOUSANDS)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Net Transfers</u>	<u>Ending Balance</u>
<b>Fiscal Year 2020</b>					
<b>Property</b>					
Land and Land Improvements	\$ 434,718	\$ 2,394	\$ -	\$ -	\$ 437,112
Site Improvements	560,010	3,915	1,668	87	562,344
Building and Building Improvements	328,936	5,040	90	42	333,928
Equipment	111,629	8,658	1,333	(3,869)	115,085
Total	<u>\$ 1,435,293</u>	<u>\$ 20,007</u>	<u>\$ 3,091</u>	<u>\$ (3,740)</u>	<u>\$ 1,448,469</u>
<b>Capital Leases</b>					
Equipment	\$ 57	\$ -	\$ -	\$ -	\$ 57
Total	<u>\$ 57</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57</u>
<b>Construction in Progress</b>					
Construction in Progress	\$ 2,985	\$ 4,157	\$ 1,173	\$ 509	\$ 6,478
Total	<u>\$ 2,985</u>	<u>\$ 4,157</u>	<u>\$ 1,173</u>	<u>\$ 509</u>	<u>\$ 6,478</u>

Note 1: These balances were obtained from the Department's records and have been reconciled to the Department's quarterly *Agency Report of State Property* reports submitted to the Office of Comptroller for the year ended June 30, 2020.

Note 2: This schedule was prepared from State property records as required by the Illinois Administrative Code (Code) and the Statewide Accounting Management System (SAMS). The capitalization policy required by the Code and SAMS is different from the capitalization policy established by the Office of Comptroller for financial reporting in accordance with generally accepted accounting principles (GAAP).

STATE OF ILLINOIS  
**DEPARTMENT OF NATURAL RESOURCES**  
**SCHEDULE OF CHANGES IN PROPERTY**  
For the Year Ended June 30, 2019  
(IN THOUSANDS)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Net Transfers</u>	<u>Ending Balance</u>
<b>Fiscal Year 2019</b>					
<b>Property</b>					
Land and Land Improvements	\$ 413,222	\$ 21,496	\$ -	\$ -	\$ 434,718
Site Improvements	556,838	2,585	62	649	560,010
Building and Building Improvements	331,573	1,209	434	(3,412)	328,936
Equipment	104,403	11,431	1,103	(3,102)	111,629
Total	<u>\$ 1,406,036</u>	<u>\$ 36,721</u>	<u>\$ 1,599</u>	<u>\$ (5,865)</u>	<u>\$ 1,435,293</u>
<b>Capital Leases</b>					
Equipment	\$ 43	\$ 36	\$ 22	\$ -	\$ 57
Total	<u>\$ 43</u>	<u>\$ 36</u>	<u>\$ 22</u>	<u>\$ -</u>	<u>\$ 57</u>
<b>Construction in Progress</b>					
Construction in Progress	\$ 2,430	\$ 1,658	\$ 976	\$ (127)	\$ 2,985
Total	<u>\$ 2,430</u>	<u>\$ 1,658</u>	<u>\$ 976</u>	<u>\$ (127)</u>	<u>\$ 2,985</u>

Note 1: These balances were obtained from the Department's records and have been reconciled to the Department's quarterly *Agency Report of State Property* reports submitted to the Office of Comptroller for the year ended June 30, 2019.

Note 2: This schedule was prepared from State property records as required by the Illinois Administrative Code (Code) and the Statewide Accounting Management System (SAMS). The capitalization policy required by the Code and SAMS is different from the capitalization policy established by the Office of Comptroller for financial reporting in accordance with generally accepted accounting principles (GAAP).

STATE OF ILLINOIS  
DEPARTMENT OF NATURAL RESOURCES  
**SCHEDULE OF INDIRECT COST REIMBURSEMENTS**  
For the Fiscal Year Ended June 30,  
(IN THOUSANDS)

<u>STATE TREASURY FUND(S)</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>State Boating Fund - 039</b>			
Federal Program: U.S. Department of Homeland Security - U.S. Coast Guard			
Indirect Cost Rate	23.49%	24.54%	15.77%
Beginning Balance, Uncollected Reimbursements	\$ -	\$ -	\$ -
New Indirect Cost Claims			
Environmental and Business Regulation	225	244	4
Indirect Cost Reimbursements Received	225	244	4
Ending Balance, Uncollected Reimbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fish and Wildlife Fund - 041</b>			
Federal Program: U.S. Department of Interior/U.S. Fish and Wildlife Service			
Indirect Cost Rate	23.49%	24.54%	15.77%
Beginning Balance, Uncollected Reimbursements	\$ -	\$ -	\$ -
New Indirect Cost Claims			
Environmental and Business Regulation	1,812	1,671	2,101
Indirect Cost Reimbursements Received	1,812	1,671	2,101
Ending Balance, Uncollected Reimbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Federal Surface Mining Control and Reclamation Fund - 765</b>			
Federal Program: U.S. Department of Interior -Regulation of Surface Coal Mining			
Indirect Cost Rate	35.06%	37.90%	27.97%
Beginning Balance, Uncollected Reimbursements	\$ -	\$ -	\$ -
New Indirect Cost Claims			
Environmental and Business Regulation	192	217	60
Indirect Cost Reimbursements Received	7	217	60
Ending Balance, Uncollected Reimbursements	<u>\$ 185</u>	<u>\$ -</u>	<u>\$ -</u>
<b>National Flood Insurance Program Fund - 855</b>			
Federal Program: U.S. Department of Homeland Security - National Flood Insurance			
Indirect Cost Rate	34.40%	34.37%	24.05%
Beginning Balance, Uncollected Reimbursements	\$ 251	\$ 42	\$ 64
New Indirect Cost Claims			
Environmental and Business Regulation	99	217	111
Sub-Total, Applications	99	217	111
Indirect Cost Reimbursements Received	239	8	133
Ending Balance, Uncollected Reimbursements	<u>\$ 111</u>	<u>\$ 251</u>	<u>\$ 42</u>

STATE OF ILLINOIS  
DEPARTMENT OF NATURAL RESOURCES  
**SCHEDULE OF INDIRECT COST REIMBURSEMENTS**  
For the Fiscal Year Ended June 30,  
(IN THOUSANDS)

<u>STATE TREASURY FUND(S)</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Federal Projects Fund - 894</b>			
Federal Program: U.S. Department of Interior/U.S. Fish and Wildlife Service - 15.662			
Indirect Cost Rate	23.49%	24.54%	15.77%
Beginning Balance, Uncollected Reimbursements	\$ -	\$ -	\$ -
New Indirect Cost Claims			
Environmental and Business Regulation	301	50	37
Indirect Cost Reimbursements Received	301	50	37
Ending Balance, Uncollected Reimbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Illinois Forestry Development Fund - 905</b>			
Federal Program: U.S. Department of Agriculture/U.S. Forest Stewardship Program			
Indirect Cost Rate	23.49%	24.54%	15.77%
Beginning Balance, Uncollected Reimbursements	\$ -	\$ -	\$ -
New Indirect Cost Claims			
Environmental and Business Regulation	-	-	20
Indirect Cost Reimbursements Received	-	-	20
Ending Balance, Uncollected Reimbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note 1: The Department negotiates indirect cost reimbursement rates with the U.S. Department of Interior, which is used to support claims for indirect costs pertaining to grants and contracts with the federal government.

Note 2: The cost base used for the Department's federal grant is calculated as salaries and wages plus fringe benefits.

Note 3: The Department pursues all possible indirect cost recoveries. The Department's ending balance of uncollected reimbursements is considered collectible.

STATE OF ILLINOIS  
DEPARTMENT OF NATURAL RESOURCES  
FUNCTIONS AND PLANNING  
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

**Functions**

The Illinois Department of Natural Resources (the Department or IDNR) was established on July 1, 1995 when the functions of the former Department of Conservation, Department of Mines and Minerals, the Abandoned Mined Lands Reclamation Council, portions of the Department of Energy and Natural Resources, and the Division of Water Resources from the Department of Transportation were merged by an Executive Order of the Governor. The Department is headquartered at the Joel D. Brunsvold Building, located at the State Fairgrounds in Springfield, Illinois.

The Department currently manages over 380 sites totaling more than 500,000 acres of publicly owned and leased land. In addition, the Department manages a variety of other public sites such as parks, fish and wildlife areas, museums, boat access areas, historic sites, and trails. The Department also maintains concessions that are leased to or operated by private concessionaires or local communities. Over 34 million visitors visited IDNR properties in Fiscal Year 2020.

The mission of the Department is to manage, conserve, and protect Illinois' natural, recreational and cultural resources, further the public's understanding and appreciation of those resources, and promote the education, science and public safety of Illinois' natural resources for present and future generations.

In order to carry out its mission, the Department conducts executive and selected technical staff conferences periodically to update the Department's strategic plan.

**Strategic Priorities**

The Department's strategic priorities are as follows:

1. Maintain and meet the outdoor educational and recreational demands of Illinois' citizens in a manner that preserves and protects fish, wildlife, natural areas, and other natural resources of the State.
2. Pursue direct acquisition of property to meet the Department's ecosystem-based management and resource compatible recreation objectives.
3. Improve the quality of life for Illinois' citizens through the proper management of the water resources of the State, including water supply, flood damage reduction, watershed planning, dam safety, and regulation of development within the floodplains.
4. Repair, reclaim, and restore land and water resources that were degraded by mining activities prior to the passage of the Surface Mining Control Reclamation Act of 1977.
5. Encourage the public's safe use of recreational and natural resources.

STATE OF ILLINOIS  
DEPARTMENT OF NATURAL RESOURCES  
FUNCTIONS AND PLANNING  
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

6. Work together with conservation partners to conserve wildlife and plant species before they become rarer and more costly to protect.

Key Initiatives

The Department's key initiatives are as follows:

1. Implement key components of the Wildlife Action Plan through coordination of field level efforts and improved technology.
2. Implement new management and organizational structures at World Shooting and Recreation Complex and Illinois State Museum.
3. Establish a customer service response center to serve customers timely and consistently.
4. Continue the work on the Federal Emergency Management Agency (FEMA) grant to create floodplain maps of Illinois.
5. Make multiple years of data available through publications, internet, maps, and other materials.
6. Continue to monitor sales and improve customer service with the Department's Direct and Point of Sale network to facilitate the purchase of licenses and permits, while concurrently working on a new DNR Direct system.
7. Successfully implement the new Underground Natural Gas Storage laws and regulatory program.
8. Build community capacity to improve Lake Michigan coastal resilience and protection of natural resources focus on recent successes in establishing a coastal zone management program to protect Lake Michigan and its watershed.
9. Continue to allocate and monitor Lake Michigan water to Northeastern Illinois region in accordance with the Great Lakes Compact and the United States Supreme Court decree.
10. Execute a major capital project to stem the loss of the Illinois Beach shoreline at Illinois Beach State Park.
11. Coordinate implementation of Pullman State Historic Site/Pullman National Historic Monument remediation and renovation project in partnership with the National Park Service.

STATE OF ILLINOIS  
DEPARTMENT OF NATURAL RESOURCES  
FUNCTIONS AND PLANNING  
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

12. Pursue design and redevelopment of the lodging facility at Rend Lake through the Capital Development Board (CDB) and identify a new development concept plan and secure funding for an Eagle Creek lodging facility, both in coordination with the U.S. Army Corps of Engineers.

Major Program Areas and Service Efforts and Accomplishments

The Department is organized into 13 main operating offices or divisions. These offices administer activities in four core program areas: Resource Compatible Recreation, Natural and Cultural Resource Protection, Resource-Related Public Safety, and Science, Education, and Culture.

Resource Compatible Recreation

The mission of the Resource Compatible Recreation program is to provide safe, accessible, high quality, and resource-compatible outdoor recreation opportunities to the public to enjoy the State's natural and cultural resources.

The Resource Compatible Recreation program goals are as follows: 1) meet the public's outdoor recreation needs in a resource-compatible manner; 2) develop and maintain Department facilities and infrastructure to provide meaningful outdoor recreation experiences for the State's residents and visitors; and, 3) establish and maintain partnerships to expand resource-compatible recreation opportunities.

The Department owns or manages land and water and offers a wide range of recreational opportunities, including camping, picnicking, sightseeing, fishing, hunting, boating, swimming and trail use. In Fiscal Year 2020, 34,334,434 people visited these sites. A key objective of the Resource Compatible Recreation program is to maintain a high level of visitor satisfaction with the overall quality of Department sites. In Fiscal Year 2020, 89 percent of park visitors expressed high satisfaction (i.e., visitor survey scores of 4 or more on a 5-point scale, with 5 equaling excellent) with overall park facilities and operations.

The Department provides funding to local governments for outdoor recreation facilities and land for open space. In Fiscal Years 2019 and 2020, the Department awarded a total of 508 grants amounting to \$172,567,082. In addition, with financial assistance provided by the Department, local grant recipients acquired 250 acres and acquired and developed 98 miles of bike trails.

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The following are the Resource Compatible Recreation program’s input, output, and outcome indicators.

	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018
<u>Input Indicators</u>			
Total expenditures (in thousands)	\$117,770	\$148,762	\$118,967
Average monthly full-time employee equivalents	525	491	475
<u>Output Indicators</u>			
Acreage owned and managed	491,798	491,508	484,688
Number of grants awarded	236	272	18
Total dollar amount of grants awarded	\$88,295,646	\$84,271,436	\$1,500,000
Fishing licenses issued	567,823	490,220	499,437
Hunting licenses issued	153,428	154,766	181,091
Site attendance	34,334,434	38,782,954	38,512,400
<u>Outcome Indicators</u>			
Amount of grantee acquired acreage <sup>(a)</sup>	64	186	201
Miles of bike trails acquired/developed through grant	48	50	97
Percentage of highly satisfied park visitors	89%	50%	68%

*(a) Decrease in Fiscal Year 2020 from Fiscal Year 2019 is due to lack of activity in Fiscal Year 2020 due to the temporary closure of facilities, as well as the federal and State restrictions imposed on activities, as a result of the COVID-19 pandemic. Based on when grants are entered, the time it takes to purchase property, activity levels, timing of voucher requests (specifically, receipt of final bill), and other factors, determine in which year these numbers are reported.*

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Natural and Cultural Resource Protection

The mission of the Natural and Cultural Resource Protection Program is to manage, conserve, and protect the State's natural, recreational, and cultural resources, further the public's understanding and appreciation of those resources, and promote the education, science, and public safety of natural resources for present and future generations.

The Natural and Cultural Resource Protection program goals are as follows: 1) restore, enhance, and sustain the State's natural and cultural resources for present and future generations; 2) acquire interest in land to meet the public's open space and resource protection needs; 3) maximize the effectiveness of laws, statutes, and administrative rules to better protect resources; 4) balance resource consumption and use with resource protection; and, 5) avoid, minimize, and mitigate adverse impacts to Illinois' lands and waters that result from mining and mineral extraction activities.

As part of the Natural and Cultural Resource Protection program, the Department manages land and water resources, enforces resource laws, acquires resource-rich lands, reclaims mine sites, and manages the State's mineral resources.

The Department owns or manages less than five percent of the State's vast natural resources. As a result, a key goal of the Department's Natural and Cultural Resource Protection program is to protect, manage, and enhance natural resources not under ownership or direct management of the Department. The Department offers a number of programs to assist landowners and local entities in the management of resources under their control. For example, in Fiscal Year 2020, the Department produced 700,000 seedlings and reforested 5,859 acres.

Improvement in air quality is an important outcome of the Department's reforestation efforts, as the photosynthetic process of planted trees removes carbon generated by fossil fuel consumption from the atmosphere. The Department's reforestation activities in Fiscal Year 2020 resulted in the annual absorption of an additional 49,765 tons of carbon from the atmosphere.

The Conservation Reserve Enhancement Program (CREP) is a unique State and federal partnership to assist landowners in protecting lands along the Illinois River Watershed through the implementation of resource management practices such as the planting of trees and grasses and the development of wetlands. CREP is a voluntary program whose objective is to enhance water quality and habitats for threatened and endangered species through the restoration of 232,000 acres along the Illinois and Kaskaskia Rivers and their tributaries. Enrollment in CREP began in Fiscal Year 1999. As of June 30, 2020, approximately 90,171 acres had been enrolled in the program.

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The following are the Natural and Cultural Resource Protection program's input, output, and outcome indicators.

	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018
<u>Input Indicators</u>			
Total expenditures (in thousands)	\$86,465	\$77,213	\$81,960
Average monthly full-time employee equivalents	384	377	350
<u>Output Indicators</u>			
Number of acres reforested <sup>(a)</sup>	5,859	1,600	1,602
Number of acres enrolled in CREP	90,171	90,171	90,171
Number of seedlings produced for reforestation	700,000	800,000	600,000
<u>Outcome Indicators</u>			
Tons of carbon removed from the atmosphere by reforestation	49,765	19,233	16,809
Protected natural area acreage	114,269	113,710	112,751
Acquired land (in acres)	290	6,820	223

*(a) Increase in Fiscal Year 2020 from Fiscal Year 2019 is due to more acres planted through a non-DNR program that the Division of Forestry provides planning and technical assistance for.*

Resource-Related Public Safety

The mission of the Resource-Related Public Safety program is to ensure the safe and enjoyable use of the State's lands, water, and resources, ensure safety in mining and blasting activities, and to protect the public's interest in public waters and floodways.

The Resource-Related Public Safety program goals are as follows: 1) ensure the safety of the public visiting State-managed sites or participating in State-regulated outdoor recreation; 2) protect workers in the extraction industry from mining and explosive accidents; and, 3) manage dams and floodways to protect people and property in floodplains.

Through its Resource-Related Public Safety program, the Department offers safety education classes for hunters, boaters, trappers, and snowmobilers, certifying 525 students in Fiscal Year 2020. The Department's Conservation Police Officers enforce State laws pertaining to boating, hunting, and

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snowmobile safety and assist park staff in ensuring the safe use of facilities and resources at Department sites.

The Department’s Resource-Related Public Safety program includes programs to ensure the safety of the State’s coal and aggregate miners and others involved in the use of blasting and explosives. Department staff works to protect the public from mine subsidence and other abandoned mine emergencies and to enforce safety standards for dam and floodplain construction.

The following are the Resource-Related Public Safety program’s input, output, and outcome indicators.

	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018
<u>Input Indicators</u>			
Total expenditures (in thousands)	\$48,743	\$39,113	\$37,961
Average monthly full-time employee equivalents	185	198	188
<u>Output Indicators</u>			
Number of safety education classes held <sup>(a)</sup>	21	356	401
Number of mine safety certifications issued	1,243	1,416	1,604
Number of mine safety accident prevention contracts	11,112	15,745	16,888
Number of blasting and explosive licenses and certifications issued	1,508	1,576	1,811
Number of blasting and explosives inspections performed	2,568	2,795	1,803
Number of dams inspected	297	351	428
<u>Outcome Indicator</u>			
Number of students certified by safety education classes <sup>(a)</sup>	525	7,888	9,662

*(a) Decrease in Fiscal Year 2020 from Fiscal Year 2019 is due to the Department’s inability to provide classes due to temporary closure of schools and education centers, as well as federal and State restrictions imposed on activities, especially in-person gatherings, as a result of the COVID-19 pandemic.*

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Science, Education, and Culture

The mission of the Science, Education, and Culture program is to collect and analyze data on the State's natural and cultural resources and to provide objectives, scientific information, and education programs on these resources to government agencies, businesses, other scientists, education institutions, teachers, students, and the general public to advance their understanding and appreciation of the State's natural and cultural resources.

The Science, Education, and Culture program goals are as follows: 1) educate the public on the diversity and value of the State's natural and cultural resources; 2) preserve and showcase the State's natural, cultural, and artistic heritage; and, 3) acquire and provide natural history information that can be used to promote the common understanding of the sustainable conservation of the State's living natural resources.

The Department offers a wide range of interpretative and environmental education opportunities as part of the Science, Education, and Culture program. Environment and Nature Training Institute for Conservation Education (ENTICE) is a teacher training program designed to incorporate long-term, standards-based natural resource education into the State's classrooms. The Department has been certified by the State Board of Education (Board) as a certificate renewal credit provider as part of the Board's recertification requirements for teachers. In Fiscal Year 2020, 178 teachers completed ENTICE training, and the Department awarded teachers 652 continuing professional education (CPE) hours.

The Department's science institution is the Illinois State Museum. Department scientists work on cutting-edge issues and apply the latest technologies available to them. The scientific knowledge that they provide is key to making up-to-date decisions on the appropriate use, effective management, and protection of all of the State's resources.

The Department's State Museum and its branch facilities use its collections and applied research findings in order to serve as an informal education resource and provide learning opportunities for people of all ages. During Fiscal Year 2020, the State Museum facilities had over 64,000 visitors.

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The following are the Science, Education, and Culture program's input, output, and outcome indicators.

	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018
<u>Input Indicators</u>			
Total expenditures (in thousands)	\$25,262	\$18,094	\$15,233
Average monthly full-time employee equivalents	120	116	115
<u>Output Indicators</u>			
Number of user sessions on Illinois State Museum's websites	1,078,423	1,478,133	2,683,770
Number of teachers completing ENTICE training	178	259	268
Number of educational publications ordered and shipped <sup>(a)</sup>	240,790	701,216	450,297
<u>Outcome Indicators</u>			
Number of continuing professional education (CPE) hours awarded to teachers via ENTICE and other programs	652	651	655
Attendance at Museum facilities <sup>(b)</sup>	64,869	170,450	149,349

*(a) Decrease in Fiscal Year 2020 from Fiscal year 2019 is due to the federal and State restrictions imposed on activities, businesses, and establishments as a result of the COVID-19 pandemic. Publication shipping was completely stopped for a couple of months. The State parks magazines were not printed this year as scheduled, and so the usual addition of those items to the total was not possible.*

*(b) Decrease in Fiscal Year 2020 from Fiscal Year 2019 actual is due to the temporary closure of facilities, as well as the federal and State restrictions imposed on activities, as a result of the COVID-19 pandemic. In addition, even without restrictions, with the on-going pandemic, people are hesitant to visit, thus continuing to decline even if some facilities have been opened and some restrictions were eased.*

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**Planning**

The Department first established a strategic planning function in Fiscal Year 1996, shortly after the Department's creation. The Department's most recent update of its strategic plan occurred in October 2008. It identifies seven priorities with associated initiatives. The Department also has developed performance measures and goals which are annually reported to the Office of Comptroller for inclusion in the State's Public Accountability Report (PAR). The Department is beginning the process of updating its strategic plan.

Strategic planning activities are coordinated by the Director's Office, while the Office of Fiscal Management coordinates the collection and reporting of PAR information to the Comptroller.

The Department has several formal, ongoing planning programs. One plan is the State-wide Comprehensive Outdoor Recreation Plan. This plan, fully revised every five years, identifies issues and Department programs and priorities in the area of outdoor recreation.

The Office of Realty and Capital Planning carries out a variety of outdoor recreation and natural resource planning activities, such as site plans and economic analysis of feasibility of improvements such as campgrounds, cabins, and marinas. The Department prepares an Annual Capital Improvement Plan, which is presented to the Governor's Office of Management and Budget, Capital Development Board, and the General Assembly. The Office of Water Resources is the State's lead agency for water resource planning. It prepares the State Water Plan and is involved in other planning activities related to the Management of the State's water resources.

**Significant Challenges**

During Fiscal Years 2019 and 2020, the Department experienced circumstances that are considered significant operational challenges, in terms of potential to disrupt Department operations, cause substantial delays in standard workflows and procedures, or otherwise complicate normal business practices of the Department.

**New Accounting Systems Implementation**

1. The Department implemented a new Enterprise Resource Planning (ERP) system as the new Department-wide accounting system in January 2019. Due to a series of issues related to this implementation, such as data entry and system engagement, reporting capabilities, and mid-development limitations, there were multiple instances where this implementation directly impacted Department's operations, primarily with the overall fiscal functions and operational complications with relationships to partners/vendors, stemming from delayed contract filings with the Office of Comptroller and processing of payments after proper bills were received.

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2. The Department took great strides to increase focus on Department training in key areas, increased engagement with the Department of Innovation and Technology (DoIT) as well as the ERP consulting groups to better understand the new ERP system, adapted Department processes to the new system and processing requirements and worked to smooth relationships with stakeholders to whom payments are due.
3. Currently, the new ERP implementation is still a major consideration for Department planning and while the Department is much more accustomed to the system, there are still State-wide changes that impact how the Department adapts to the new system in comparison to the previously utilized accounting systems.

Lack of Staffing Resources

1. During Fiscal Year 2019 and 2020, the Department has fluctuated between 2% (near the end of Fiscal Year 2020) and 10% (near the start of Fiscal Year 2019) below the authorized permanent employee headcount for the Department, and it is widely considered that even if the Department were at maximum headcount, the permanent employees would still be less than what would be needed to be considered suitably staffed for the Department's mandated and expected operations and program management.
2. Lack of staffing significantly slows down operations, and is present in every office within the Department, from program-focused offices to support services. Due to this shortage of staff, program staff are generally required to take on more administrative tasks to ensure proper procedure is followed and required controls are adhered to, and available administrative and clerical staff are limited in capacity to timely complete their support and management roles.
3. On-board staffing has been increasing with increased focus in the Human Resources Office, but currently is not yet at maximum authorized headcount due to continued retirements and priority in transfers of State employees to either fill newly created vacancies or relocating to other State agencies, according to vacancy filling bargaining unit negotiated agreement terms.

Voucher Processing Backlogs

1. Primarily caused by the new ERP system implementation, as well as the less-than-optimal staffing levels experienced by the Department, the Department's expenditure function has been experiencing fluctuating levels of backlogs in voucher processing.
2. Due to the lack of clerical staff at field locations, program staff are relied on to manage both on-site programs as well as manage some of the clerical or administrative tasks for those sites. This led to delays in processing, batching of invoices received or other documentation requiring further review and processing.

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3. Limitations of available clerical and accounting staff at central or headquarters locations has a direct negative impact on the production rates for the accounts payable function, and with batching of invoice documents awaiting processing coming from the field sites as opposed to a continuous stream, it further creates strain on the constant production in voucher processing transactions.

COVID-19 Pandemic

1. In March 2020, the Department directed all staff to work from their own residence, with intent to slow the spread for the COVID-19 virus at Department sites and buildings. The Department, with much support from DoIT, rapidly and successfully established remote work capabilities for almost all staff that had capability to perform their duties in a remote capacity.
2. Around end of Fiscal Year 2020, almost all State parks had reopened to the public, and site staff that worked at those locations and were relatively limited in productivity through remote work, due to the nature of their positions, were approved to return to their workplace to conduct business.
3. The central locations and headquarters sites have continued to work at or near 50% of capacity in the buildings, alternating which staff were to report to the building and which staff would be instructed to work remotely from their homes, with guidance from management.
4. It has been widely acknowledged that, while remote work is relatively effective at completing expected and required tasks, and around 50% of work locations are safely working together at Department sites, employee morale, overall productivity, general strategy and planning, and internal communications have all been negatively impacted by the COVID-19 pandemic and the limitations associated with safety measures put in place to ensure employee safety, compared to workplace mechanics and operations of pre-pandemic.

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	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b><u>AVERAGE FULL-TIME EMPLOYEES</u></b>			
<b>General Office</b>			
Professional Services	3	4	1
Technical Experts	11	11	9
Paraprofessional Services	1	1	1
Administrative Services	47	38	51
Clerical Services	14	18	19
<b>Subtotal General Office</b>	<b><u>76</u></b>	<b><u>72</u></b>	<b><u>81</u></b>
<b>Office of Realty &amp; Capital Planning</b>			
Engineering Services	7	7	5
Professional Services	25	25	26
Technical Experts	22	22	16
Paraprofessional Services	2	3	1
Administrative Services	8	6	6
Clerical Services	7	7	4
<b>Subtotal Office of Realty &amp; Capital Planning</b>	<b><u>71</u></b>	<b><u>70</u></b>	<b><u>58</u></b>
<b>World Recreational Shooting Center</b>			
Administrative Services	-	1	1
<b>Subtotal World Recreational Shooting Center</b>	<b><u>-</u></b>	<b><u>1</u></b>	<b><u>1</u></b>
<b>Office of Strategic Services</b>			
Professional Services	12	9	11
Technical Experts	11	9	9
Paraprofessional Services	3	4	3
Administrative Services	6	6	4
Clerical Services	28	24	25
<b>Subtotal Office of Strategic Services</b>	<b><u>60</u></b>	<b><u>52</u></b>	<b><u>52</u></b>
<b>Office of Grants Management &amp; Assistance</b>			
Professional Services	11	11	10
Administrative Services	4	4	5
Clerical Services	1	1	-
<b>Subtotal Office of Grants Management &amp; Assistance</b>	<b><u>16</u></b>	<b><u>16</u></b>	<b><u>15</u></b>

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	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Office of Resource Conservation</b>			
Professional Services	5	3	5
Site Superintendents	9	9	11
Sworn Law Enforcement Officers	2	2	2
Technical Experts	149	143	137
Carpentry and Maintenance Workers	2	2	1
Paraprofessional Services	31	29	29
Seasonal/Contractual	1	16	23
Administrative Services	7	5	6
Clerical Services	26	20	18
<b>Subtotal Office of Resource Conservation</b>	<u><b>232</b></u>	<u><b>229</b></u>	<u><b>232</b></u>
<b>Coastal Management Program</b>			
Professional Services	-	1	-
Technical Experts	1	2	3
Administrative Services	-	1	1
Clerical Services	-	1	1
<b>Subtotal Coastal Management Program</b>	<u><b>1</b></u>	<u><b>5</b></u>	<u><b>5</b></u>
<b>Office of Law Enforcement</b>			
Sworn Law Enforcement Officers	114	90	99
Technical Experts	6	6	3
Paraprofessional Services	17	35	2
Administrative Services	5	6	6
Clerical Services	10	14	14
<b>Subtotal Office of Law Enforcement</b>	<u><b>152</b></u>	<u><b>151</b></u>	<u><b>124</b></u>
<b>Office of Lands Management</b>			
Professional Services	-	1	1
Site Superintendents	88	91	89
Technical Experts	24	26	28
Carpentry and Maintenance Workers	6	4	5
Paraprofessional Services	261	249	246
Seasonal/Contractual	232	265	295
Administrative Services	14	12	14
Clerical Services	40	35	38
<b>Subtotal Office of Lands Management</b>	<u><b>665</b></u>	<u><b>683</b></u>	<u><b>716</b></u>

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**NUMBER OF EMPLOYEES**  
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	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Office of Mines &amp; Minerals</b>			
Engineering Services	1	-	-
Professional Services	28	29	31
Technical Experts	43	46	45
Paraprofessional Services	1	1	2
Administrative Services	5	5	3
Clerical Services	7	7	7
<b>Subtotal Office of Mines &amp; Minerals</b>	<b><u>85</u></b>	<b><u>88</u></b>	<b><u>88</u></b>
<b>Office of Oil &amp; Gas</b>			
Professional Services	4	4	4
Technical Experts	6	6	5
Paraprofessional Investigatory & Law Services	17	16	17
Paraprofessional Services	1	2	2
Administrative Services	5	6	7
Clerical Services	6	8	7
<b>Subtotal Office of Oil &amp; Gas</b>	<b><u>39</u></b>	<b><u>42</u></b>	<b><u>42</u></b>
<b>Office of Water Resources</b>			
Engineering Services	16	14	15
Professional Services	7	7	8
Technical Experts	2	2	2
Paraprofessional Services	8	9	9
Administrative Services	12	12	14
Clerical Services	3	3	3
<b>Subtotal Office of Water Resources</b>	<b><u>48</u></b>	<b><u>47</u></b>	<b><u>51</u></b>
<b>Illinois State Museum</b>			
Professional Services	15	14	14
Technical Experts	16	16	15
Carpentry and Maintenance Workers	2	2	2
Paraprofessional Services	3	3	3
Administrative Services	3	1	1
Clerical Services	2	1	1
<b>Subtotal Illinois State Museum</b>	<b><u>41</u></b>	<b><u>37</u></b>	<b><u>36</u></b>
<b>TOTAL AVERAGE FULL-TIME EMPLOYEES</b>	<b><u>1,486</u></b>	<b><u>1,493</u></b>	<b><u>1,501</u></b>

Note 1: This schedule presents the average number of employees, by function, at the Department.

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**Fiscal Year 2020**

**Immediate Repairs Needed to Protect Against Loss or Further Destruction of Property**

Camp Logan Unit

The trail is in a damaged state due to the erosive effects of Lake Michigan wave action and above-average rainfall. To prevent further damage to the adjacent bike trail and the nature preserve, the Department obtained emergency services from a vendor to supply and place an estimated 40,000 tons of “torpedo” sand to replenish approximately 2,300 feet of coastal shoreline. The Department ultimately paid its vendor, Thelen Materials, LLC, \$973,564, to complete the project.

Grand Marais Golf Course

The Department was forced to terminate a contract with a previous concessionaire maintaining the golf course. The Department does not have the expertise, experience or staff required to operate and maintain the golf course. Therefore, the Department obtained emergency concession services from a vendor to maintain the golf course. The Department ultimately paid its vendor, Golden Tees, \$23,529, to complete the project.

I & M Canal Trail

A portion of the trail has been severely damaged by heavy rains. Several tons of debris blocked the culvert and spillway causing water to overflow the levee, causing a portion of the trail to be undermined and washed out. To prevent a complete levee failure, the Department obtained emergency construction services from Stott Contracting, LLC to reconstruct and restore approximately 410 lineal feet of levee, and remove excess rock, driftwood, and other debris blocking the relief culverts and spillways, with an estimated total project cost of \$117,487.

**Threats to Public Health or Safety**

Abandoned Coal Mine Shaft

An abandoned coal mine shaft at the Village of Colfax collapsed in October 2018. To eliminate the threats to safety of personnel and property, the Department obtained emergency construction services from a vendor to drill and grout the mine shaft. The Department ultimately paid its vendor, Howard Concrete Pumping Co., Inc., \$173,035, to complete the project.

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Abandoned Coal Mine Shaft

The mine shaft in Coal City, Illinois, was remediated in 1995; however, the shaft has re-opened, creating an approximately 20-foot diameter hole. To eliminate the threats to public health and safety, the Department obtained emergency construction services from a vendor to complete excavating and backfilling to remediate the mine shaft. The Department ultimately paid its vendor, D. Construction, Inc., \$51,119, to complete the project.

Abandoned Coal Mine Shafts

Hazardous conditions have developed due to the collapse of the abandoned coal mine shafts at the Village of Eagarville. To abate the hazardous conditions, the Department obtained emergency services to excavate soil and debris and place a concrete plug into the collapsed mine shaft. The Department ultimately paid its vendor, Moniger Excavating, Inc., \$30,378, to complete the project.

**Prevent or Minimize Disruption to Critical State Services**

Underground Parking Facility

To prevent revenue losses, emergency concession services were obtained from James McCann DBA Uptown Garages to operate and maintain the two-level underground parking facility located beneath the Old State Capital Historic Site while a formal solicitation can be prepared.

Grand Marais Golf Course

The Department was forced to terminate a contract with a previous concessionaire maintaining the golf course. The Department does not have the expertise, experience or staff required to operate and maintain the golf course. Therefore, the Department obtained emergency concession services from Golden Tees to maintain the golf course and to protect it from deterioration and maintenance, with an estimated total project cost of \$54,600.

Golconda Marina Concession

An oversight on the initial emergency contract through December 31, 2019 led to it not being fully executed until July 19, 2019, which was past the expiration date of July 5, 2019. Since the Department cannot extend an expired contract, the Department declared a new emergency purchase and obtained emergency concession services from Larry W. Mills, LLC to prevent disruption of services providing for the collection of substantial State revenues.

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(NOT EXAMINED)

30-ton Chiller

The existing chiller at Vandalia State House has failed and repairs are no longer economically feasible. The chiller provides for a proper environmentally controlled temperature and humidity levels within the building to protect and preserve historic artifacts and building components. To prevent disruption of operations of the State House, the Department made an emergency procurement to remove the failed chiller and purchase and install a new 30-ton unit, and to upgrade the failed Barber Colman Network 8000 Global Control Module to be compatible with the new 30-ton chiller unit. The Department ultimately paid its vendors, Alpha Controls & Svs. and Culberston Heating & Cooling, \$72,255, to complete the project.

**Fiscal Year 2019**

**Threats to Public Health or Safety**

Abandoned Coal Mine Shaft

Hazardous conditions have developed due to the collapse of the abandoned coal mine shaft at the Hanson Material Service Nokomis Quarry. To abate the hazardous conditions, the Department obtained emergency construction services from a vendor to complete backfilling, including placement of aggregate and concrete within the shaft. The Department ultimately paid its vendor, Blankenship Construction Co., \$155,356, to complete the project.

Swimming Pool

The Department has determined that the swimming pool at Dixon Springs State Park needs repairs and improvements to eliminate the threat to public health and safety of the users, and so that the pool will be permitted to open in spring. As such, the Department obtained emergency services from a vendor to perform swimming pool repairs, including but not limited to, demolition and replacement of water slide, replacement of several vacuum and pressure gauges, gate valves, butterfly valves, flow meters, chlorine distribution systems, electrical boxes and filters. The Department ultimately paid its vendor, Endrizzi Contracting Inc., \$170,677, to complete its project.

Abandoned Mine Coal Shaft

An abandoned coal mine shaft at the Village of Colfax collapsed in October 2018. To eliminate threats to safety of personnel and property, the Department obtained emergency construction services from a vendor to complete subsurface borings with intent to determine if the shaft is backfilled or remains open. The Department ultimately paid its vendor, Durbin Enterprises, Inc., \$17,552, to complete the project.

STATE OF ILLINOIS  
DEPARTMENT OF NATURAL RESOURCES  
EMERGENCY PURCHASES  
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

Abandoned Coal Mine Pit

Hazardous conditions have developed due to the collapse of the abandoned coal mine pit in Energy, Illinois. To abate the hazardous conditions, the Department obtained emergency construction services from K.D. Crain and Sons, Inc., to complete excavation and backfilling to remediate the subsided mine pit, with an estimated total project cost of \$26,942.

Hennepin Canal

To prevent threats to public health and safety due to a levee break, the Department obtained emergency services from Civil Constructors Inc. & Willett Hofmann & Associates, Inc. to install two (2) earthen coffer dams, one upstream of the break and one downstream of the break within the Hennepin canal, with an estimated total project cost of \$550,000.

Abandoned Mine Coal Shaft

Hazardous conditions have developed due to the collapse of the abandoned coal mine shaft at the Village of Colfax. The shaft collapse is water-filled and the water level is approximately 11 feet below ground surface. To abate the hazardous conditions, the Department obtained emergency construction services from a vendor to complete backfilling to remediate the collapse of the mine shaft. The Department ultimately paid its vendor, United Contractors Midwest Incorporated, \$119,943, to complete the project.

Two Abandoned Coal Mine Shaft

Hazardous conditions have developed due to the collapse of the abandoned coal mine shaft near Madison County Transit. To abate the hazardous conditions, the Department obtained emergency construction services to complete excavating and backfilling to remediate the two mine shaft depressions. The Department ultimately paid its vendor, Moniger Excavating, Inc, \$65,008, to complete the project.

**Prevent or Minimize Disruption to Critical State Services**

Electronic Permitting System

The Department's contract for operating and maintaining its electronic permitting system is already expiring. The Department does not possess the resources or the time to change the permitting process to an in-person paper copy process. Without the immediate expenditure and contract to keep the electronic permitting system working, the Department could lose the entire permitting backbone as well as the associated data. To prevent this, the Department entered into a new contract with Sopris Holdings, LLC DBA RA Outdoors, LLC/Aspira to keep the electronic permitting system working to enable the Department to access the data as required by statute and regulations and to prevent it from losing the entire permitting backbone as well as the associated data, with a total contract cost of \$3,000,000.

STATE OF ILLINOIS  
**DEPARTMENT OF NATURAL RESOURCES**  
**EMERGENCY PURCHASES**  
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

Grand Marais Golf Course

The Department was forced to terminate a contract with a previous concessionaire maintaining the golf course. The Department does not have the expertise, experience or staff required to operate and maintain the golf course. Therefore, the Department obtained emergency concession services from Golden Tees to sustain the proper operation and maintenance of the golf course, with an estimated total project cost of \$300,000.

STATE OF ILLINOIS  
DEPARTMENT OF NATURAL RESOURCES  
HOUSING BENEFITS

For the Two Years Ended June 30, 2020

(NOT EXAMINED)

**Lodging Provided for the Convenience of the Employer**

The Department of Natural Resources (Department) may provide Department-owned housing for approved employees to provide security for State assets, to allow for timely response to emergencies and to meet operation needs of the facilities. Mandatory housing agreements are provided by the Department to employees in designated positions at its discretion. The monthly maintenance fee for the tenants is in accordance with the appropriate bargaining unit. The Department is responsible for paying all utilities. Non-mandatory housing is provided by the Department to employee at its discretion. The monthly maintenance fee for non-mandatory housing is \$325 plus utilities (unless utilities are metered with the site). The Department pays for reasonable mechanical repairs to site houses.

The Department has determined that the value of housing provided by the Department is not compensation subject to taxation. The Department periodically reviews the appropriate Internal Revenue Service (IRS) regulations to determine if any changes impacting the Department's housing policies have been implemented. The Payroll Unit of the Department provides letters to employees living in site housing stating their annual non-taxable compensation amounts for reporting to the IRS.

**State Employee Housing Act**

As required by the State Employee Housing Act (5 ILCS 412), the Department has developed a written policy on housing for State employees.

STATE OF ILLINOIS  
**DEPARTMENT OF NATURAL RESOURCES**  
**ANALYSIS OF OVERTIME AND COMPENSATORY TIME**  
For the Fiscal Year Ended June 30,

(NOT EXAMINED)

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>General Office</b>			
Overtime Hours Paid	1,678	2,305	2,311
Compensatory Hours Granted	2,465	2,728	2,129
Total	<u>4,143</u>	<u>5,033</u>	<u>4,440</u>
Value of Overtime Hours Paid	\$ 57,054	\$ 85,692	\$ 86,070
Value of Compensatory Hours Granted	97,243	108,863	82,733
Total Costs	<u>\$ 154,297</u>	<u>\$ 194,555</u>	<u>\$ 168,803</u>
<b>Office of Realty &amp; Capital Planning</b>			
Overtime Hours Paid	644	547	776
Compensatory Hours Granted	2,046	1,727	1,513
Total	<u>2,690</u>	<u>2,274</u>	<u>2,289</u>
Value of Overtime Hours Paid	\$ 29,120	\$ 23,083	\$ 39,037
Value of Compensatory Hours Granted	88,717	74,171	58,224
Total Costs	<u>\$ 117,837</u>	<u>\$ 97,254</u>	<u>\$ 97,261</u>
<b>Office of Strategic Services</b>			
Overtime Hours Paid	1,175	2,794	3,199
Compensatory Hours Granted	1,874	2,520	2,294
Total	<u>3,049</u>	<u>5,314</u>	<u>5,493</u>
Value of Overtime Hours Paid	\$ 38,651	\$ 79,857	\$ 78,845
Value of Compensatory Hours Granted	64,510	91,747	89,291
Total Costs	<u>\$ 103,161</u>	<u>\$ 171,604</u>	<u>\$ 168,136</u>

STATE OF ILLINOIS  
**DEPARTMENT OF NATURAL RESOURCES**  
**ANALYSIS OF OVERTIME AND COMPENSATORY TIME**  
For the Fiscal Year Ended June 30,

(NOT EXAMINED)

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>World Recreational Shooting Complex</b>			
Overtime Hours Paid	31	37	45
Compensatory Hours Granted	158	225	303
Total	<u>189</u>	<u>262</u>	<u>348</u>
Value of Overtime Hours Paid	\$ 1,119	\$ 1,432	\$ 1,692
Value of Compensatory Hours Granted	6,039	8,607	11,495
Total Costs	<u>\$ 7,158</u>	<u>\$ 10,039</u>	<u>\$ 13,187</u>
<b>Office of Grants Management &amp; Assistance</b>			
Overtime Hours Paid	108	348	9
Compensatory Hours Granted	266	606	318
Total	<u>374</u>	<u>954</u>	<u>327</u>
Value of Overtime Hours Paid	\$ 3,873	\$ 12,125	\$ 431
Value of Compensatory Hours Granted	10,638	25,260	13,424
Total Costs	<u>\$ 14,511</u>	<u>\$ 37,385</u>	<u>\$ 13,855</u>
<b>Office of Resource Conservation</b>			
Overtime Hours Paid	4,961	9,174	8,655
Compensatory Hours Granted	16,651	16,306	15,441
Total	<u>21,612</u>	<u>25,480</u>	<u>24,096</u>
Value of Overtime Hours Paid	\$ 143,885	\$ 291,626	\$ 276,262
Value of Compensatory Hours Granted	603,788	583,150	546,152
Total Costs	<u>\$ 747,673</u>	<u>\$ 874,776</u>	<u>\$ 822,414</u>

STATE OF ILLINOIS  
**DEPARTMENT OF NATURAL RESOURCES**  
**ANALYSIS OF OVERTIME AND COMPENSATORY TIME**  
For the Fiscal Year Ended June 30,

(NOT EXAMINED)

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Coastal Management Program</b>			
Overtime Hours Paid	3	11	90
Compensatory Hours Granted	312	297	409
Total	<u>315</u>	<u>308</u>	<u>499</u>
Value of Overtime Hours Paid	\$ 108	\$ 452	\$ 3,873
Value of Compensatory Hours Granted	14,224	12,373	16,202
Total Costs	<u>\$ 14,332</u>	<u>\$ 12,825</u>	<u>\$ 20,075</u>
<b>Office of Law Enforcement</b>			
Overtime Hours Paid	9,258	7,932	8,205
Compensatory Hours Granted	12,986	17,438	12,345
Total	<u>22,244</u>	<u>25,370</u>	<u>20,550</u>
Value of Overtime Hours Paid	\$ 389,007	\$ 325,680	\$ 334,589
Value of Compensatory Hours Granted	499,254	616,120	489,705
Total Costs	<u>\$ 888,261</u>	<u>\$ 941,800</u>	<u>\$ 824,294</u>
<b>Office of Lands Management</b>			
Overtime Hours Paid	13,147	14,193	12,381
Compensatory Hours Granted	15,270	15,108	15,700
Total	<u>28,417</u>	<u>29,301</u>	<u>28,081</u>
Value of Overtime Hours Paid	\$ 344,710	\$ 375,888	\$ 326,787
Value of Compensatory Hours Granted	487,090	486,569	539,002
Total Costs	<u>\$ 831,800</u>	<u>\$ 862,457</u>	<u>\$ 865,789</u>

STATE OF ILLINOIS  
**DEPARTMENT OF NATURAL RESOURCES**  
**ANALYSIS OF OVERTIME AND COMPENSATORY TIME**  
For the Fiscal Year Ended June 30,

(NOT EXAMINED)

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Office of Mines &amp; Minerals</b>			
Overtime Hours Paid	1,971	2,563	2,329
Compensatory Hours Granted	2,343	2,598	2,140
Total	<u>4,314</u>	<u>5,161</u>	<u>4,469</u>
Value of Overtime Hours Paid	\$ 93,772	\$ 118,804	\$ 109,472
Value of Compensatory Hours Granted	96,475	99,021	84,410
Total Costs	<u>\$ 190,247</u>	<u>\$ 217,825</u>	<u>\$ 193,882</u>
<b>Office of Oil &amp; Gas</b>			
Overtime Hours Paid	987	633	447
Compensatory Hours Granted	650	711	460
Total	<u>1,637</u>	<u>1,344</u>	<u>907</u>
Value of Overtime Hours Paid	\$ 32,873	\$ 20,138	\$ 18,424
Value of Compensatory Hours Granted	21,030	23,220	17,524
Total Costs	<u>\$ 53,903</u>	<u>\$ 43,358</u>	<u>\$ 35,948</u>
<b>Office of Water Resources</b>			
Overtime Hours Paid	1,555	1,375	2,001
Compensatory Hours Granted	1,145	1,472	768
Total	<u>2,700</u>	<u>2,847</u>	<u>2,769</u>
Value of Overtime Hours Paid	\$ 80,725	\$ 70,704	\$ 100,896
Value of Compensatory Hours Granted	53,572	72,336	31,877
Total Costs	<u>\$ 134,297</u>	<u>\$ 143,040</u>	<u>\$ 132,773</u>

STATE OF ILLINOIS  
**DEPARTMENT OF NATURAL RESOURCES**  
**ANALYSIS OF OVERTIME AND COMPENSATORY TIME**  
For the Fiscal Year Ended June 30,

(NOT EXAMINED)

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Illinois State Museum</b>			
Overtime Hours Paid	-	-	-
Compensatory Hours Granted	1,795	1,933	1,326
Total	<u>1,795</u>	<u>1,933</u>	<u>1,326</u>
Value of Overtime Hours Paid	\$ -	\$ -	\$ -
Value of Compensatory Hours Granted	57,848	52,721	38,258
Total Costs	<u>\$ 57,848</u>	<u>\$ 52,721</u>	<u>\$ 38,258</u>
 <b>GRAND TOTAL - ENTIRE DEPARTMENT</b>			
Overtime Hours Paid	35,518	41,912	40,448
Compensatory Hours Granted	57,961	63,669	55,146
Total	<u>93,479</u>	<u>105,581</u>	<u>95,594</u>
Value of Overtime Hours Paid	\$ 1,214,897	\$ 1,405,481	\$ 1,376,378
Value of Compensatory Hours Granted	2,100,428	2,254,158	2,018,297
Total Costs	<u>\$ 3,315,325</u>	<u>\$ 3,659,639</u>	<u>\$ 3,394,675</u>

STATE OF ILLINOIS  
DEPARTMENT OF NATURAL RESOURCES  
MAJOR CONSTRUCTION PROJECTS  
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

**Stratton Lock and Dam Improvements**

The Department of Natural Resources (Department or IDNR) continued constructing improvements to the existing Lock and Dam facility on the Fox River. The improvements consist of extending the existing lock chamber, removal of the existing flood control gate structure, construction of a new flood control gate structure, and all associated work. The lock chamber extension was necessary to increase watercraft passage capacity through the lock chamber. The existing flood control gate structure, which was constructed in 1958 to 1960, was replaced due to its age and poor condition. Construction of these improvements commenced in June of 2014, and construction is currently expected to be completed around July to August 2021 for an approximate construction cost of \$21.0 million.

**CDB Project Execution** - The following projects are being executed by the Capital Development Board (CDB) and funded fully or in-part by the Department.

**I & M Canal - Reconstruct Nettle Creek Aqueduct - \$1,250,000**

The Nettle Creek Aqueduct was a steel and concrete superstructure bridging Nettle Creek and was the physical connection to maintain water flow in the Canal. The original aqueduct was constructed between 1844 and 1847, as part of the Illinois and Michigan Canal. In 2013, the aqueduct experienced a sudden and unexpected failure during a flood event. Both towpaths failed at the same time and the Canal went dry; in 2017, the damaged aqueduct structure was removed by IDNR to relieve any possible water impediments in the creek. This project constructs a replacement aqueduct that restores water flow in the canal, supports public use of the canal for recreation, and limits potential flood impacts on Nettle Creek. Design is currently underway, and it is anticipated construction could begin in spring 2022.

**Eagle Creek State Park - Replace Sewer Line - \$3,302,564**

Eagle Creek State Park transports its sewer from the park through a force main line located below Lake Shelbyville to the wastewater treatment plant at Wolf Creek State Park. The project design is complete, and the construction contract is awarded; however, a federal agency, who owns and operates Lake Shelbyville, has stalled the construction project for nearly a year. At this time, it is unclear when this project will begin.

**Argyle Lake State Park - Dam & Boat Ramp Improvements - \$2,444,100**

The scope of work provides for: an analysis to determine if the spillway meets safety standards and permits, rehabilitating the dam and dewatering structure, including, but not limited to, repairing spalled concrete, replacing dewatering gates, removing and sealing the middle gate, fencing, riprap and other miscellaneous items associated with the dam's safety and rehabilitation; rehabilitating and replacing the docks and boat ramps, including replacing the pontoon docking system and walkways, replacing the docks and fishing platform at the concession building, extending the concrete boat ramp, repairing or replacing the handicapped boat access and site lighting; replacing the roofing systems on the shower building, shelters and vault toilets with metal roofing systems, including decking, skylights and roofing accessories as needed. The project is nearing completion but was delayed due to COVID-19 concerns.

STATE OF ILLINOIS  
DEPARTMENT OF NATURAL RESOURCES  
MAJOR CONSTRUCTION PROJECTS  
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

**Pere Marquette State Park - Rehab Campground Electrical - \$3,221,839**

The scope of work provides for upgrading the Class A campground for greater electrical and water service capacity, increasing storm drainage capacity and leveling and improving individual campsites to accommodate larger recreational vehicles. The scope of work also includes widening the curves of the campground, paving, repairing a roadway retaining wall and repairing the existing dump station and providing another new dump station. Construction for this project is nearly complete, and the campground should reopen in summer 2021.

**Lake Le-Aqua-Na State Park - Repair Dam and Dredging - \$3,450,000**

The scope of work provides for locating and eliminating leaks in the existing lake bed, mechanically dredging a majority of the accumulated sediment in the lake, repairing and/or replacing portions of the water control structure and dewatering sluice gate, replacing the existing American with Disabilities Act (ADA) fishing pier with a new cantilever pier or other design which is not subject to ice heaving, replacing the existing boat ramp at the concession building and constructing a new accessible ramp near the dam. The bid for construction was awarded in fall 2020, and construction started in January 2021. Completion is anticipated by spring 2022.

**Illinois Beach State Park - Replace Beach Concession - \$2,793,015**

Construct a new concession facility on the site recommended in the Illinois Beach State Park Master Management Plan. The site overlies a long-abandoned segment of Old Beach Road which has been further covered with soil (unsuitable for road embankment fill) from a 1992-3 park entrance road reconstruction project. After years of delay, the project was successfully bid and awarded in summer 2020, with anticipated construction to be completed by summer 2022.

**Illinois Beach State Park - Utility Relocation - \$2,150,000**

The Illinois Beach State Park shoreline is in a dynamic state due to erosive effects of Lake Michigan wave action. The erosion of the main swim beach became noticeable in late summer, and recent storms have eroded the beach to the point of endangering the integrity of a roadway, major parking area, site office and lodge, and exposing a large 6-inch sewer gravity main that runs parallel to the beach. The sewer main connects the park resort, office and campground, and other ancillary facilities, to the park's sewage treatment plant. While temporary projects may restore the beach and cover the line, repeated storm events continue to erode the beach and expose the line, making it vulnerable to catastrophic failure. IDNR is still awaiting CDB bidding construction for this project, and no anticipated completion date is available.

STATE OF ILLINOIS  
DEPARTMENT OF NATURAL RESOURCES  
MAJOR CONSTRUCTION PROJECTS  
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

**Kankakee River - Replace Sewage Treatment Plants & Shower Building - \$2,012,536**

The scope of work provides for: demolishing and removing two waste water treatment plants, including replacing one treatment plant and constructing a holding tank; modifying the water supply and electrical power as necessary, including protection against 100 year flood and restoring land disturbed by construction; remodeling the existing Potawatomi shower and toilet building and expanding the existing building to double its number of shower stalls and fixtures; and replacing all doors, windows and accessories in the flush toilet building. Lead removal may be required on the structural steel. Construction was completed in September 2020 and building was opened to the public in October 2020.

**William W. Powers State Fish and Wildlife Area - Replace Boat Ramps and Improve Park - \$1,669,990**

Two existing boat launch ramp sites that provide access for boat fishing in two Wolf Lake pools have reached the end of their service life, and one of the two is not accessible to persons with disabilities. To ensure continued boat access to the pools, the launch ramps need to be replaced. The double lane launch ramp on Wolf Lake's Pool 2 needs to be removed and replaced. For improved pedestrian circulation, a sidewalk will be added between the parking lot and the ramps. A makeshift gravel launch ramp at 133rd Street provides boat access to the south end of Pool 3, but it lacks accessibility to persons with disabilities. The ramp needs to be removed and replaced with a new concrete ramp, and an accessible boarding dock needs to be installed. Near the ramp, a relatively undefined gravel-surfaced area is used for parking. To provide efficient, controlled vehicular access, asphalt driveways, parking spaces, and a car-trailer maneuvering area need to be constructed. The construction is expected to complete fall 2021.

**I & M Canal - Channahon - Improve DuPage River Spillway - \$1,792,320**

Emergency work began in 2001 but was halted due to funding delays. The scope of work provides for improving the north embankment including raising the elevation to match the south embankment and installing a fuse plug, reinforcing the embankment with a sheet pile wall, constructing a concrete retaining wall, constructing concrete stairs with handrails near both downstream embankments and providing riprap. \$2.2 million of this funding was released in prior years. Design and permitting are complete, and bids were received by CDB in January 2021. It is anticipated construction will not be completed until fall 2022.

**Mazonia-Braidwood State Fish and Wildlife Area - Boat Access Improvements - \$1,314,519**

This project will construct 20' in width asphalt surface internal circulation roads with an approximate total length of 2,600', a 2 single-lane concrete boat launch ramps, each 15' in width by 60' in length (actual lengths will be determined during design), asphalt surface vehicle maneuvering areas or approach lanes at the 2 launch ramps (size to be determined during design), 2 asphalt surface vehicle-trailer parking lots with a total of 24 spaces 10' in width by 40' in length and 2 accessible spaces 16' in width by 40' in length. Also included are associated improvements including a vault toilet. IDNR is still awaiting a design firm selection by CDB to begin design, and a construction completion date is unavailable at this time.

STATE OF ILLINOIS  
DEPARTMENT OF NATURAL RESOURCES  
MAJOR CONSTRUCTION PROJECTS  
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

**Pere Marquette State Park - Rehabilitate Group Camp Areas - \$8,000,000**

The project provides for addressing the rehabilitation or replacement of facilities and infrastructure associated with the Piasa, Ouatoga and Potawatomi group camp areas. Constructed by the Civilian Conservation Corps, these group camps are eligible for listing on the National Register of Historic Places. The focus will be to repair existing structures and facilities, following the Secretary of the Interior's Standards for the Rehabilitation of Historic Properties and close consultation with IDNR to insure protection of the historical assets. A thorough assessment of each group camp has been completed to date, with design to begin spring 2021. Because of cost concerns with the project, an anticipated construction date is not yet determined.

**Jake Wolf Hatchery - Replace Fish Hatchery Power & Control Systems - \$2,959,200**

The hatchery relies heavily on electric motors for fish rearing operations. The motor controllers are 30 years old, and replacement parts are no longer available. Many of the underground branch circuits and feeders have failed due to the conduits rusting. Most of the panel boards are original to the building and need to be replaced. The failure of these motors or associated power and control circuits could result in the loss of fish valued at \$250,000 to \$750,000, and considerable economic losses to the recreational fishing industry in Illinois. This project provides for replacing panel boards, feeders, control wiring, controls, control panel, and additional monitoring equipment in the main hatchery building, replacing one (1) panel board in the generator building, and replacing two (2) panel boards in the treatment plant. This project has not moved forward as the original design selection occurred just before the 2016 budget impasse, and after the end of the impasse, the design firm declined the project. IDNR is still awaiting action by CDB to proceed with a new design firm; no anticipated construction date has been determined.

**Washington County Conservation Area - Replace Sewage Treatment Plant - \$2,546,400**

The existing wastewater treatment facility is old and requires significant maintenance to keep it operating. This project will replace the existing Imhoff tank and sand filter sewage system. Design has been completed, and construction is scheduled to bid in March 2021, with anticipated completion in spring 2022.

**Carlyle Lake State Fish and Wildlife Area - Replace Cox Bridge - \$1,138,200**

The proposed project will replace the existing truss bridge over the Kaskaskia River within the boundaries of a state fish and wildlife reserve. The bridge has been used as a pedestrian bridge and for light vehicles associated with IDNR maintenance. The project is currently in design, but no bid date has been established yet by CDB.

STATE OF ILLINOIS  
DEPARTMENT OF NATURAL RESOURCES  
MAJOR CONSTRUCTION PROJECTS  
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

**Fort Massac State Park - Repair & Rehabilitate Fort - \$5,132,584**

The scope of work provides for: evaluating the current condition of the timber-framed 19th century fort replica and all associated buildings (constructed in 2002-2003) to determine how to stabilize the structures and allow public access to the interior grounds of the fort and a portion of the buildings; making repairs with current available funding and recommendations for making all necessary repairs, including the stockade wall and fraise fence and providing maintenance procedures.

**Wayne Fitzgerald State Park - Renovate Rend Lake Resort Facilities - \$6,001,300**

During mold remediation of the facility, significant portions of the interior wall coverings, ceiling tiles, and flooring materials were removed, with remaining surfaces treated and/or sealed to eliminate contamination. This resulted in a mosaic of interior surfaces, some requiring little restoration, and some gutted to the framing. This Phase 1 reconstruction will seek to restore to fully operational condition all buildings contained within the resort complex with the exception of the 49-room hotel unit adjacent to the conference center; the hotel unit will require further evaluation to determine if this is desirable to retain and restore, or to remove the structure entirely. Most work associated with this project will be installation of new drywall, ceiling tiles and floor surfacing, with some areas requiring some limited improvement to the layout or updating of the fixtures and facilities. Repair / replacement of some exterior siding and painting will also be addressed, as will repairs to sidewalks, stairs and railings, and the resort grounds to improve accessibility, remove hazards, and improve the overall visitor experience. CDB selected a design firm in November 2020, and orientation occurred in January 2021. IDNR anticipates design should be complete by winter 2021, with construction starting in spring 2022 and completed by fall 2022.

**Pullman State Historic Site - Renovate North Factory Building - \$700,000**

The Pullman Factory Complex, completed in 1880, was designed as a rail car manufacturing site to support the production of the Pullman Palace passenger rail cars and service. After a devastating fire in 1993, the south wing was substantially damaged and demolished. The remaining North Factory wing is the site for the project scope. The Factory Complex, owned and operated by the Department, is located within the Pullman Historic district. The district was placed on the National Register of Historic Places in 1969. This project seeks to address structural elements of the structure's interior and exterior that remain compromised, including foundation, masonry, doors, windows and roof. CDB had previously selected a design firm for this project, and the design continues at this time, nearing 100%. Bidding is tentatively scheduled for spring 2021, with construction completion anticipated winter 2021.

STATE OF ILLINOIS  
DEPARTMENT OF NATURAL RESOURCES  
MAJOR CONSTRUCTION PROJECTS  
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

**Mississippi River Area State Fish and Wildlife Area - Rehab Batchtown Boat Access - \$1,012,772**

The Batchtown Access Area, Mortlan Hollow Site, consists of an aggregate parking lot and one old single lane concrete boat ramp that has outlived its useful life. The only other boat ramp that exists in this area of the river has been cut off from the Mississippi River. There are no amenities to facilitate ADA access into a watercraft, or any hard surface to park and maneuver to and from the ramp. These will be incorporated into this rehabilitation project. However, due to repeated flooding of the site, and the overall remoteness, the Department has sought to simplify the original design and reduce the cost and amount of improvements from the original scope. This project is currently under re-design with a fractional cost from originally proposed; design completion is currently unavailable.

**Pere Marquette State Park - Upgrade Lodge Attic Ventilation - \$350,000**

The Pere Marquette Lodge is a 70,000 square foot, two-story building constructed in 1932. The scope of work provides for the modification and upgrade of the Lodge attic ventilation system, exhaust air systems and packaged terminal air conditioner (PTAC) units, including any other necessary upgrades to dehumidify the Lodge. Project is currently under construction.

**Fort Massac State Park - Rehab Shower Building - \$1,297,437**

The scope of work provides for various site improvements including heating, ventilating and duct work, exhaust fans, insulated piping, a natural gas water heater, and rehabilitating or replacing the existing shower building to include up to eight unisex shower/restroom units. Construction was completed and building was opened to the public in May 2021.

**Wayne Fitzgerald State Park - Rehab Boat Access and Parking - \$1,205,459**

The purpose of this project is to maintain and increase opportunities for sport fishing and recreational boating at Wayne Fitzgerald State Park. The original construction of the Rt. 154 boat access area was undertaken by the State of Illinois in the mid-1970s. This boat access area has two, double-lane concrete boat ramps. There are two car-trailer parking lots to support use of the boat ramps. The smaller lot currently holds about 23 car-trailer spaces and the larger lot holds about 130 car-trailers. The existing parking lots have paving in various need of repair. Heavy usage and weathering have made the surface crack and fail in places and the entire parking needs to be repaired and resurfaced. The existing lighting in the area is inadequate given its size and frequency of use by fishermen in non-daylight times. New lighting systems are needed to improve user safety. Water hydrants for anglers/boaters at this location are not operable and need replacement. This project is currently in design, with no bid date currently identified.

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For the Two Years Ended June 30, 2020

(NOT EXAMINED)

**IDNR Project Execution** - The following projects are being executed by and funded fully or in-part by the Department of Natural Resources.

**Kickapoo State Park - Kickapoo Rail Trail - \$2,032,606**

The project is a cooperative Interagency Agreement between IDNR, Vermilion County Forest Preserve District, and Illinois Department of Transportation to construct the 2.5-mile final leg of the Vermilion River Trail / Kickapoo Rail Trail connecting Champaign/Urbana with Danville following an abandoned rail bed. The IDNR component of this project funds the restoration of the main trestle bridge crossing the Vermilion River. Construction is being managed by Vermilion County Forest Preserve District; the project is approximately 75% complete with the balance to be completed in 2021.

**Pullman State Historic Site - Remediate and Reconstruct Site - \$8,800,000**

The Project involves the comprehensive redevelopment of the Pullman State Historic Site at Pullman National Monument ("Site"), a 12-acre property located at the north east corner of 111th Street and South Cottage Grove Avenue in Chicago. The Site currently contains the federally-owned vacant historic Clock Tower Building (simultaneously being renovated by the National Park Service and its partners), and state-owned North Factory Wing Building and Rear Erecting Shops. IDNR has entered into a sole-source agreement with Chicago Neighborhood Initiative (CNI), a non-profit organization spearheading redevelopment in the Pullman neighborhood. CNI was already managing the design/construction efforts of the National Park Service / National Park Foundation for the site, and the state agreement with CNI continues the oversight and management of the construction at the site. IDNR is committed to approximately \$8.8 million in costs for the project, the Illinois Environmental Protection Agency is contributing \$1.8 million for site remediation in the same agreement. The National Park Foundation is contributing an additional \$4,057,317 toward the site project. Remediation works began in September 2020, and the overall project is at approximately 35% with completion anticipated in early summer 2021.

**Sahara Woods State Fish and Wildlife Area - Off-Highway Vehicle (OHV) Recreation Area Development - \$1,525,000**

Illinois does not offer a motorized trail experience for OHV riders on a state owned and managed facility. This project is constructing a 1,300-acre OHV riding area on the west side of Sahara Woods State Fish and Wildlife Area to accommodate a trail system approximately 26 miles in length and have a carrying capacity of about 120 OHVs at one time. Currently this project is in design to bring utilities and improved public access to the site and provide for basic support elements for the facility operation. Construction is anticipated to begin during the summer of 2021.

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(NOT EXAMINED)

**Hennepin Canal State Trail - Emergency Canal Breach Repair East of Tiskilwa - \$1,239,342**

IDNR required emergency services at the Hennepin Canal, located in Bureau County, near Tiskilwa, Illinois. In late February 2019, the south levee failed near a culvert that runs perpendicular through the bottom of the canal and both levees. The water pressure blew out a large hole in the levee draining several thousand gallons of water into a tributary of Bureau Creek. Immediate engineering and construction services were necessary to repair approximately 100 linear feet of the embankment to eliminate the threat to public safety, prevent further damage to the State asset, minimize further disruption to State park services, prevent the loss of the fisheries resource, and prevent damage to adjacent private property. This project was executed through emergency purchases for both engineering and construction services, and work was completed in late summer 2019.

**Flood Mitigation Program – Office of Water Resources**

The flood mitigation projects are commonly known as floodplain buyouts. IDNR provides communities funds, on a reimbursement basis, to purchase and demolish structures that have either been damaged or destroyed by flooding. The properties are purchased in the name of IDNR/Office of Water Resources (OWR) and the realty section attaches deed restrictions and then the property is transferred back to the local government. The deed restrictions require the land to remain in open space. IDNR must pre-approve the projects and make sure they are cost-effective and environmentally sound. IDNR pays for 100% of the costs associated with purchasing and demolishing the property. The local governments administer the projects with the assistance of IDNR's Realty section and OWR staff.

The projects serve several purposes:

1. It provides relief to property owners that have been impacted by flooding.
2. It saves taxpayers the costs associated with protecting the properties, temporary relocation, emergency services, and assistance. Independent studies have proven that the buyouts save \$7 for every \$1 spent.
3. The funds are frequently used to match Federal Emergency Management Agency (FEMA) acquisition funds. FEMA requires a 25% cost match. Many communities do not have the funds to provide the match and would not be eligible without IDNR/OWR assistance.

**Carbondale, Illinois**

Carbondale has purchased and demolished the Econolodge Motel and acquired an adjacent vacant parcel. The properties have been purchased and Carbondale is waiting on reimbursement of \$1,732,573.

**Crystal Lake, Illinois**

Crystal Lake was approved to purchase 5 properties for a sum up to \$1,268,803. As at report date, three properties have been closed, one contract is to be returned, and one property is ready to be closed when sellers find a home.

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(NOT EXAMINED)

**Hardin, Illinois**

There are 20 properties in the Hardin project for a sum up to \$1,762,900. As at report date, nine properties have been closed and three are not selling.

**Lake County, Illinois**

Thirteen properties were approved up to a sum of \$3,503,373. Nine properties have closed, several others are still in the process.

**Lake County, Illinois**

Eight properties were approved for a second project in Lake County with a maximum budget of \$1,732,968. The properties appraisals are still being reviewed.

**McHenry County, Illinois**

Eight properties were approved for purchase at a maximum budget of \$1,744,048. Appraisals are being reviewed. As at report date, two properties have been closed and one property is ready to be closed when the seller finds a home.

**Rock Island County, Illinois**

Fifteen properties were approved for purchase at a maximum budget of \$1,543,139. The County has yet to hire an appraiser.

**Watseka, Illinois**

122 properties were approved but funds were only provided to purchase about 67 properties with a maximum budget of \$5,357,029. Nineteen properties have been purchased and demolished. Eleven parcels are ready to have closings scheduled. The City originally had \$500,000 in capital to purchase properties with before applying for reimbursement. They have raised that amount to \$1.0 million to speed up the process. They have been reimbursed for \$817,280.

**Reclamation Projects - Office of Mines and Minerals**

**Farmington Embankments Reclamation Project - Knox County**

The Department completed the \$2.0 million project to replace a failing embankment left from coal mining in 1967. The embankment was failing due to a failed outlet culvert for the impoundment. This failed embankment was threatening the roadway T.R. 50N. This project began in June 2015 and was completed in February 2019.

**Delta Collieries North Reclamation Project Phase III - Williamson County**

The Department completed the \$1.3 million project which stabilized the abandoned mine highwall by backfilling in a recreational area. Sediment deposits in a stream were cleaned to restore the habitat. The work began in January 2018 and was completed in November 2019.

**Kickapoo - Dynegy Lake Reclamation Project - Vermilion County**

The Department completed the \$1.8 million project to stabilize the abandoned mine haul road and the dam embankment for Dynegy Lake. The work began in January 2018 and was completed in October 2019.

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**Bell & Zoller #3 Summit Reclamation Project - Williamson County**

The Department completed the \$1.8 million project to bury exposed mine refuse out of the 100-year floodplain of the Big Muddy River. A slope entry to the mine was sealed. The work began in December 2017 and was completed in September 2019.

**Peabody CC#3 - Majestic-Surefire Reclamation Project - Perry County**

The Department completed the \$3.0 million project to remove mine refuse. The refuse was disposed, and the disposal area was covered and vegetated to stabilize. Existing mine structures were removed. The work began in May 2017 and was completed in December 2019.

**S Coal Elkhaville Bond Forfeiture Reclamation Project - Jackson County**

The Department completed the \$2.9 million project to reclaim a coal mine which could not complete the reclamation. The funding for this project was obtained from their reclamation bond. Stockpiled soil and top soil were utilized to stabilize mined areas and impoundment banks. The work began in October 2018 and was completed in December 2019.

**Forsythe Energy - Cambria Reclamation Project - Williamson County**

The Department began an approximate \$1.8 million project to reclaim abandoned coal mine site to stabilize the impoundments and protect travelers along Vermont Road. Downey Road will be protected, and one impoundment will have banks stabilized. Mine refuse will be disposed, and the disposal area and the area disturbed will be stabilized with cover material and vegetation. The work began in February 2020 and is expected to be completed in December 2022.

STATE OF ILLINOIS  
DEPARTMENT OF NATURAL RESOURCES  
DISCLOSURE OF EMERGENCY PURCHASES  
UNDER THE GUBERNATORIAL COVID-19 DISASTER PROCLAMATIONS  
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

The Governor, in response to the COVID-19 pandemic, issued sequential Gubernatorial Disaster Proclamations from March 9, 2020 through May 28, 2021. These proclamations allowed the Illinois Department of Natural Resources (Department) to waive the requirements of the Illinois Procurement Code to the extent the requirement (1) would have, in any way, prevented, hindered, or delayed necessary action to cope with the COVID-19 pandemic and (2) was not required by federal law. The following procurements were all processed under this waiver granted by the Governor.

**Fiscal Year 2020**

The Department did not have any emergency purchases related to the COVID-19 pandemic during Fiscal Year 2020.

**Fiscal Year 2019**

The Department did not have any emergency purchases related to the COVID-19 pandemic during Fiscal Year 2019.